DT 371
M47
v.3
no. 10

Volume III

No. 10

MESKEREM

A Marxist-Leninist Theoretical Journal

HOOVER
STANFORD 1984
INSTITUTION

September 1982

Digitized by Google

Digitized by Google

ET4114P
9

STANFORD LIBRARIES

WITHOUT A REVOLUTIONARY THEORY THERE CAN BE NO REVOLUTIONARY MOVEMENT

LENIN

Digitized by Google

Digitized by Google

MESKEREM

Vol. 3 No. 10 September 1982

CONTENT

Page

- *Editorial Page* 5
- *The International Monetary Fund (IMF)* 15
  —A Tool of collective Neo-Colonialism
- *Law-Legal Views and Concepts* 34
- *Opportunism Under the Guise of Marxism* 48
  — (The unholy alliance between Monthly Review and an Ethiopian counter-Revolutionary émigré)
- *Transnational Financial Corporations and the State of Developing Nations* 68
- *Culture and the Ethiopian Revolution* 85
- *Views and Comments* 96

A QUARTERLY THEORETICAL JOURNAL

PREPARED BY THE DEPARTMENT OF IDEOLOGY

OF THE CENTRAL COMMITTEE OF COPWE

ADDRESS:-

Telephone No. 11 30 00
P.O. Box 80001
Addis Abeba
Ethiopia

Digitized by Google

Digitized by Google

Editorial Page

The Role of Ideology in the Process of the Ethiopian Revolution

The popular Ethiopian Revolution is now more than eight years old. In the time since then it has abolished the inhuman and archaic feudal system and has embarked upon the task of creating suitable conditions and laying down the foundation for the construction of a new society based on equality and social prosperity. When we look in retrospect at the conditions that prevailed in our country eight years ago and the complex and arducus struggles that we have passed through and the victories that we have scored in the course of the Revolution, and compare them with the experiences of other socialist countries, we cannot but realize that arming the masses of the people with the science of Marxism - Leninism is absolutely indispensable if the final victory of the Ethiopian revolution is to be assured.

In class societies, ideology is an instrument which reflects, and expresses the collective desiras or interests of particular classes. The exploiting classes spreed their ideology not only directly but also indirectly through the manipulation of the various aspects of the superstructure and the various forms of consciousness and particularly through the use of religion, philosophy, politics etc.... The exploiting classes spread their ideology and endeavour to convince the masses of the eternity of the oppressive and exploitative system by disseminating the view that the division of people into the rulers and the ruled, into superiors and subordinates, into the rich and the poor is the outcome of a pre-ordained Divine will, that every individual's fate is predestined from birth and that nothing can be done to reverse this state of affairs etc... On the other hand, Marxism-Leninism openly teaches that every aspect of the superstructure in all class societies possesses of a class nature and that it serves the interests of a given class. The exploited and oppressed masses, however, officially proclaim as their practical guideline and thoroughly imbibe the working class ideology, which investigates into the nature and operation of the laws of social development and outlines the tactics and strategies through which socialist and communist society, a society based upon mutual cooperation and in which there will be no exploitation of man by man, can be built.

When we consider the situation in Ethiopia on the basis of the above generalization, we can say that the level of political consciousness of the masses, at the time whan the Ethiopian Revolution of February 1974 erupted,

Digitized by Google

had not gone beyond the level of a desire for change in general terms. Even though it is true that the level of consciousness at the time ignited the desire of the people to demolish the reactionary and inhuman feudal system and thereby bring about through-going change, it lacked a clear perspective as to how and under whose leadership this change could be practically realized. And in actual fact, it could not have had such clear perspective because in the history of all mass movements, the political consciousness of oppressed peoples and classes cannot develop and possess such clear perpective simply by virtue of the fact that they are oppressed and exploited. It can neither develop and attain clear perpective nor effect radical change without the ideological and organizational leadership of the party of a given class.

The February popular Revolution in Ethiopia flared up and swept the country spontaneously owing to the fact that the masses of the people were utterly fed up of the heavy burden of oppression, exploitation, hunger, destitution etc... imposed upon them by the decadent feudal system and could no longer stifle their protest and indignation. Yet, right from the outset, the popular Ethiopian Revolution was anti-feudal, anti-bureaucrat capitalist and anti-imperialist in its essential content. Nevertheless, since the opportunity for the political organization of the various social classes was utterly lacking during the days of the reactionary feudal system, there existed no Marxist-Leninist organization that could assume leadership at the time when the Revolution erupted. Hence, it was the Provisional Military Administrative Council (Dergue or PMAC) composed of members elected from among the men-in-uniform, which filled this gap and undertook the historic responsibility of providing leadership to the popular revolution. After overthrowing the monarchy and assuming state power in September, 1974, the Provisional Military Administrative Council embarked upon the struggle to promote the Ethiopian revolution. From that time on spontaneity gave way to organized mass movement.

Since its declaration of socialism as the guiding principle of the Ethiopian Revolution, the PMAC has taken various decisive and consistent measures to disseminate among the people the Marxist - Leninist ideology, which is a major instrument in ascertaining the further progress and successful accomplishment of the Revolution. By importing books on the Marxist-Leninist ideology, which had formerly been forbidden entry into the country by the defunct reactionary government, in large numbers, by having them translated into various Ethiopian languages and distributing them among the masses, by intensively utilizing the mass media to explain and elaborate upon the theory of socialism etc..., the PMAC has created condicive situations for the extensive dissemination of the Marxist-Leninist ideology, the vital weapon for the construction of the new society. Since Marxism-Leninism is the basis for the unity of purpose among all Marxists and since it is the guarantee of victory for popu-

Digitized by Google

lar revolutions, the PMAC assembled revolutionaries who had been struggling against the reactionary system both at home and abroad and established the Provisional Office for Mass Organizational Affairs (POMOA) and the Yekatit 66 Political School, with the view to organizing the masses and to spreading Marxism-Leninism among the people. These two political establishments (The POMOA and the Political School), by training and deploying cadres who are capable of politicizing and organizing the people, by disseminating Marxism-Leninism and by struggling against the ideology of all reactionary forces, have played highly significant roles in advancing the revolution.

Even though the task of spreading Marxism-Leninism among the people and organizing them was, and still is, very difficult and demanded for immense sacrifices, the revolution has forged ahead with ever greater momentum owing to the resolute leadership of the Revolutionary Government. Apart from the organization of the masses on the basis of residential and working localities, the establishment of political discussion forums in each and every governmental institution, production and distribution unit has created viable platforms that have made possible the widespread dissemination of the Marxist-Leninist ideology on a nation - wide scale.

Counter - revolutionary forces did not simply sit back and look while all this was done. When the forces of the revolution, through bitter ideological struggle, nullified the aspirations of the EPRP, a Trotskite organization, which had appeared on the political platform donned in a sham Marxist - Leninist cloak to seize political power in the guise of a provisional people's government, it resorted to assasinating revolutionaries to avenge the defeat it hed sustained in the political and ideological struggle. Finally, however, the forces of the revolution countered EPRP's "White Terror" and ultimately crashed it through the "Red Terror". The frantic and futile endeavour of counter - revolutionary forces to disrupt the disemination of the Marxist - Leninist ideology ended up in their crashing defeat and a much more conducive situation was created for the widespread dissemination of Marxist - Leninist ideology. Though counter - revolutionary forces still persisted in their attempts to disrupt ideological dissemination by spreading false rumours, through mockery and indolence around political discussion forums, they utterly failed to restrain the spread of the Marxist-Leninist ideology.

Among the factors which contributed to the wholehearted acceptance of Marxism-Leninism by the masses of the people, the practical implementation of the revolutionary proclamations issued by the PMAC deserve to be mentioned here. Since action speaks more than words, the practical implementation of the proclamations in itself has played a decisive role in promoting the acceptance of the Marxist-Leninist ideology by the masses of the Ethiopian people.

It is only too well known that anti-revolutionary forces whose interests have been hampered by the Ethiopian Revolution, have been fighting against

Digitized by Google

it since its very first days and are still fighting it not only by themselves but in alliance with international imperialism, the worldwide force which coordinates and provides leadership to all counter-revolutionary endeavours. And this is a fact that has been witnessed not only in relation to the Ethiopian Revolution but has been true in the history of all other revolutions.

Particularly in the initial stages of the Revolution, when internal counter-revolutionary forces, supported by international imperialism, engaged in armed struggle and attempted to pollute the Ethiopian masses with their poisonous propaganda, with the view to dividing and weakening the country and thereby subverting the Revolution, the mass media (TV, radio, newspapers etc) were among the various means of ideological dissemination which contributed significantly in exposing the futile endeavours of the reactionary forces and crashing them in the sphere of ideological struggle.

Particularly after the issuance of the Programme of the National Democratic Revolution outlining the short-and long-term objectives of the Ethiopian Revolution, the mass media have played a highly significant role by elaborating upon the means through which thorough-going proclamations could be practically implemented, by politicizing the masses to do away with the ideology of the reactionary system, to defend and protect the Revolution and the integrity of the Revolutionary Motherland. Remarkable efforts have also been exerted in the cultural sphere i.e. theatre, arts, literature, etc... to eradicate the unscientific outlooks left over by the reactionary system and to popularize the scientific ideology of Marxism-Leninism.

The contribution of the Literacy Campaign in emancipating the masses of the Ethiopian people from the dark legacy of illiteracy and enabling them to read and write, and in creating conditions suited to the widespread dissemination of Marxism-Leninism in the entire country is indeed highly significant. If we remember Lenin's aphorism that an illiterate person is outside of politics, it is not difficult to realize the significance of the contributions made by the Literacy Campaign in creating suitable preconditions for the extensive dissemination of Marxism-Leninism among the working people.

Another prominent issue that deserves to be considered here is the heated ideological struggle that was carried out right from the very first days of the Revolution and until the establishment of COPWE, concerning the formation of a vanguard Marxist-Leninist Party, the lack of which has been the major weak point of the Ethiopian Revolution.

It is to be remembered that the question of how a monolithic Marxist-Leninist Party, that would leed the Revolution to its ultimate goal, could be formed in Ethiopia, (though it might now appear simple owing to COPWE's establishment and the attainment of a relatively high level of ideological maturity) had at the time generated bitter ideological struggle. On the basis of the then existing ideological consciousness it was at first intended to form

Digitized by Google

such a Marxist-Leninist Party by creating a common front of the various underground political groupings that hed emerged in the course of the Revolution-groups that had manifested cartain differences in their political programmes and tactics. And later on, after the establishment of IMALEDH (The Union of Ethiopian Marxist-Leninist Organizations), it was assumed that the party could be formed through a mechanical, and indiscriminate merger of these political groupings. Nevertheless, this approach towards party formation could neither eliminate nor curb the parochial and cliquish outlook that had existed between the various groupings and was vulnerably exposed to various counter-revolutionary plots. Furthermore such a "method" of party formation was incompetible with the method of formation of a Leninist party of the new type. Thus, it became evident, in the course of the Revolution, that such a method was an incorrect approach towards party formation.

The ideological struggle carried out to come up with the correct approach towards party formation in light of the objective realities prevalent in Ethiopia, namely the ideological struggle carried out to bring about the formation of COPWE, has not only helped to eleminate self-seeking counter-revolutionary elements but has also lent greater depth and profundity to the ideological enrichment of the forces of the Revolution.

In general, until the establishment of COPWE the ideological work that was undertaken lacked proper coordination and there was no proper balance between agitation and propaganda. Due to the omnious danger posed on the revolution and the Revolutionary Motherland by internal and external counter-revolutionary forces, the main emphasis of the ideological work was on agitation. That is, systematic propaganda work among the masses was un exception rather than a rule.

With the emergence of COPWE however, a much more conducive satution has been created for the dissemination of the Marxist-Leninist ideology. Since the ideology of Marxism-Leninism is now disseminated from a single center, ideological work among the masses has become more coordinated and systematic.

As it is known, the major objectives of COPWE are the formation of a working peoples party that is imbued with Marxism-Leninism and the dissemination of the Marxist-Leninist ideology among the masses of the people. The practical realization of these two major objectives is not only closely linked but entirely dependent on ever strengthening and systematizing the ideological work among the masses.

Hence, ever since its establishment, COPWE has been exerting highly significant endeavours to disseminate the Marxist-Leninist ideology both among its members and among the masses of the people in general. Since COPWE shoulders the historic responsibility of establishing a working peoples party erected firmly upon the foundations of scientific socialism, the depth and intensity of the ideological work it carries out among its members is indeed

Digitized by Google

a decisive factor in tha attainment of its lofty objectives.

As it was mentioned on several occasions, COPWE is not a party but a political organization set up for the purpose of mainly carrying out the task of organizing a party. In its daily fuctions, therefore, COPWE is in a position to derive practical experience in party work. As such it strives to raise the level of ideological consciousness of its members by utilizing the political study circles in its cells and through its organ, SERTO ADER, and its theoretical journal - MESKEREM. In addition, it provides a systematic ideological education to its members through the Yekatit 66 Political School.

COPWE's fundamental objectives comprise of the widespread dissemination of the Marxist-Leninist ideology among the working people, rallying the working people under its leadership and enabling the working people and especially the working class to fully realize its historic mission. Thus, COPWE has laid and still lays primary emphasis on the task of ideological work among the masses of the people. Among the tasks which have been given primacy in this regard are: acquainting the working people with COPWE's objectives and rallying them for the task of party formation; enhancing the active participation of the working people in the struggle to lay down the material and technical basis essential for socialist construction and to consolidate socialist production relations; stressing the need for upholding proletarian internationalism and socialist patriotism; ensuring respect for work discipline, raising the productivity of labour and struggling for the furthet development and consoldation of proletarian culture; promoting equality and fraternity among different peoples and nationalities; explaining the causes of and pointing out the solutions to the social and economic problems that arise in the process of transition; emphasizing the need to fight against reactionary customs and habits (like wastefulness, embezzlement etc..); advancing a foreign policy based on unreserved support to the struggle for National Liberation, peace and socialism and emphasizing the need for peaceful coexistence in relations between states having different political systems.

In its endeavour to spread Marxism-Leninism and carry out propaganda work among the masses, COPWE utilizes the political discussion forums that have been established in all governmental organizations and institutions along with the mass media, the organ of the C.C. of COPWE - SERTO ADER - and its theoretical journal - MESKEREM . The translation of Marxist-Leninist books into various Ethiopian languages also comprises a significant part of the endeavour to spread the theory of scientific socialism in the country.

Under the objective conditions prevailing in Ethiopia, wherein the shortage of cadres is a conspicuous problem and the bulk of the population still remains illiterate, the mass media have a highly significant role in the widespread dissemination of the ideology of Marxism-Leninism among the masses. Even though much more has to be done, the contribution made by radio,

Digitized by Google

television, newspapers, magazines and journals in elaborating upon the directives issued by the Revolutionary Government and COPWE and in agitating the working people to accept them as their own directives is encouraging. Apart from the governmental mass media, various newspapers and magazines are also published by mass organizations and professional associations. Though it cannot at present be said that the efforts of these newspapers and magazines have either proper coordination or appreciable standard, they are, in addition to reflecting the aspirations of the various social strata, exerting remarkable endeavours in spreading the ideology of Marxism-Leninism. Another sphere of concerted endeavour in this regard is the cultural sphere, which under the guidance of COPWE is doing its share in developing socialist culture among the people.

Socialist construction is a complex and protracted process. Hence, moulding the new generation and acquainting it with Marxism-Leninism is indeed very decisive. The attempt made in this regard to revise the old curriculum used in all levels ranging from grade schools to higher institutions of learning and harmonize it with the objectives of the Revolution, along with the endeavour to provide regular political education based on Marxism-Leninism in elementary, and secondary schools and in the institutions of higher education, is a lasting guarantee to the intensive and extensive dissemination of the Marxist-Leninist ideology in the country. On the other hand, there can be little doubt that the effort made to expound the progress of the Revolution through various seminars in the different adminsitrative regions, provinces and districts has helped to enhance the political consciousness of the working people.

A significant point that deserves to be mentioned here is the dialectical relationship between the endeavour of ideological work and the task of organizing the working people. Unless the masses of the people are organized under the various mass organizations, i.e. trade unions and professional associations, it is impossible to disseminate Marxism-Leninism intensively and extensively and to rally the working people effectively for the task of socialist construction. Hence the measures taken recently to reorganize the pioneer mass organizations, namely the All Ethiopian Trade Union (AETU) and The All Ethiopia Peasants' Association (AEPA) in conformity with the organizational principles of COPWE have not only created the essential social base for the working people's party but also created suitable conditions for the systematic dissemination of Marxism-Leninism among the masses.

In general, owing to the creation of suitable conditions for the expansion of the science of Marxism-Leninism since the assumption of power by the Provisional Military Administrative Council (PMAC), the endeavour for ideological dissemination has met with encouraging results. The consistent growth of democratic and socialist outlook in the society is a tangible evidence in this

Digitized by Google

regard. Particularly after the establishment of COPWE, ideological dissemination has manifested qualitative growth and greater coordination as compared to the situation that prevailed earlier. Hence, it has become possible to adopt a unified and more coherent stand on prominent national and international political issues. And because of this the political consciousness of the working people has also manifested consistent growth.

Heretofore, an attempt has been made to elaborate, in brief, upon the role of ideological dissemination in the Ethiopian Revolution and to point out the stage of development that has at present been attained in this regard. The endeavours that have been made so far to disseminate the Marxist-Leninist ideology cannot be easily overlooked. Nevertheless, in view of the most complex and protracted struggle that looms ahead of us - that is, in view of the struggle that we still have to undertake to accomplish the tasks of the National Democratic Revolution and embark upon the road of socialist revolution, in view of the difficult task of accomplishing our cherished aim of party formation, and in view of the difficult and protracted struggle of laying down the material and technical base for socialism, a struggle requiring resolutness, and above all, a higher level of ideological consciousness, we can say, without any reservations, that regarding our ideological and especially propaganda work among the masses, a lot more remains to be done.

In view of this, it is imperative that COPWE's organ and its theoretical journal be further strengthened. Governmental mass media (i.e. radio, television, newspapers, magazines) and the newspapers and magazines published by mass organizations as well as cultural institutions should be strengthened and means should be found to better coordinate their efforts. The attempt currently undertaken to provide political education in the schools should be hastened and the endeavour to mould the new generation with Marxism-Leninism highly intensified. It is also imperative to speedily solve the acute shortage of cadres, for this is a serious problem that is confronting the Revolution at the present stage of its development. These are all vital issues that are decisive in the successful accomplishment of COPWE's fundamental task of effective ideological work among the people.

Lenin's statement that there can be no revolutionary movement without a revolutionary theory clearly indicates that the dissemination and assimilation of Marxist-Leninist ideology is indispensable in the struggle to build a socialist society. Particularly at present, when we are in in the period of transition, our ideological work has ever more decisive impact upon the progress of our Revolution. As the revolution gains momentum and forges ahead, counter-revolutionary forces launch their assault against it mostly in the sphere of ideology. In his renowned work "Economics and Politics in the Era of the Dictatorship of the Proletariat," Lenin has written as follows concerning the political struggle in the initial stages of a revolution:-

Digitized by Google

> *The class of expoliters, the land lords and capitalists, has not disappeared and cannot disappear all at once under the dictatorship of the proletariat. The exploiters have been smashed but not destroyed. They have an international base in the form of international capital, a branch of which they represent. They still retain a part of certain means of production, they still have money, they still have vast social connections. Just because they have been defeated, their energy of resistance has increased a hundred and thousand fold. The art of state, military and economic administration gives them a superiority, and a very great superiority, so that their importance, is incomparably greater than their numerical proportion among the population would warrant. The class struggle waged by the overthrown exploiters against the victories of the vanguard of the exploited, i.e. the proletariat, has become incomparably more bitter. And it cannot be otherwise if we are speaking of a revolution, if this concept is not replaced (as it is by all the heroes of the second International) by reformist illusions.*

Though the reactionary war that had earlier been launched agianst the Ethiopian Revolution by forces of counter-revolution has not, as yet, been brought under full control, the factors that henceforth determine the progress of the revolution are, primarily, the success of the effort of party formation and the success in laying down the material and technical base for the construction of socialism. Nevertheless, since this struggle is protracted and complex, and involves a bitter ideological struggle with internal and external counter-revolutionary forces, grasping some slogans and concepts derived from Marxism-Leninism is not sufficient if we are to emerge victorious over our class enemies. We can emerge victorious from this complex and arduous struggle only if we maintain strict vigilance, develop a profound grasp of Marxism-Leninism and are able to relate it to the objective conditions prevailing in our country. In other words, we should always enhance our ideological consciousness and make sure that we are not satisfied with a level of consciousness that is only skin deep.

Our ideological strength, our struggle to harmonize the theory with our personal lives and our endeavour to put it into practice is a decisive factor in the successful accomplishment of our revolutionary tasks and ultimately of the Revolution itself. Hence, it is the indispensable duty of all revolutionaries to develop their ideological competence at all times. To maintain and advance the Revolution, for which hundreds of thousands of Ethiopia's dear sons and daughters have sacrificed their lives, all revolutionaries must heighten their ideological competence and organizational vigour which will enable them to stand firmly to the last in the service of the revolutionary cause. In his Central Report to the Fourth Regular Pleanary Meeting of the Central Committee of COPWE, Comrade Chairman Mengistu Hailemariam had said:-

Digitized by Google

Communists mobilize and lead the working people through their ideological clarity and strength. Communists mobilize and lead the working people through their competent organizational leadership. Communi: mobilize and lead the working people through their exemplary lives. V should take notice of these principles in all our endeavours.

Ethiopian revolutionaries should always take note of this guideline and make sure that they have made an honest assessment of themselves as to whether or not they live upto this guiding principle.

Digitized by Google

The International Monetary Fund [IMF]

A Tool of Collective Neo-Colonialism

One of the most significant features of modern imperialism is the urge to reconquer that part of the world which had opted out of the imperialist system and the need to prevent others from leaving the imperialist network. In this endeavour and generally for exploiting the peoples of the under-developed countries, imperialism utilizes the international monetary and financial system. It is for this reason that international monetary and financial institutions such as the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the International Development Agency (IDA) and the International Finance Corporation (IFC) are described by Woddis as "collective colonialism" which aid the "joint exploitation of the developing countries" by imperialist powers while Nkrumah called the aid given to the under-developed countries by such institutions as a "neocolonialist trap on the economic front."[1] Partly because of their imperialist connections and partly because most under-developed countries, including many of those attempting to follow the socialist road of development, are linked with them, knowledge about such international monetary and financial institutions is essential.

Digitized by Google

This paper deals with the International Monetary Fund, or IMF, an institution charged with regulating the international monetary and financial system and designated as the "most powerful supra-national government in the world." More specifically, it attempts to provide answers to such questions as: What is the IMF? How did it originate? What are its aims and functions? What are its shortcomings, particularly as it relates to the underdeveloped countries? And, what is to be done about the IMF, in particular, and the international monetary and financial system in general.

ORIGIN

The International Monetary Fund was formed at the same time as the International Bank for Reconstruction and Development (World Bank) at a conference held at Bretton Woods, New Hampshire, U.S.A., in 1944. Representatives of 44 "United and Associated Nations" assembled at the International Monetary and Financial Conference. The alleged task of the conference was to rebuild an international monetary order which had been scattered by economic depression and war.

At the time of the conference, the Second World War was still going on and delegates came from U.S.A., U.K. and several European governments in exile, including France.

The main bloc of representation among the under-developed countries consisted of 19 Latin American countries. Five Asian and three African countries were also present. The three African countries represented in the conference were Egypt, Ethiopia and Liberia. The under-developed countries represented in the conference were, needless-to-say, under the direct or indirect control of the imperialist countries and, therefore, did not enjoy full freedom of manoeuvre. None of the other colonized countries of Africa Asia and the Caribbean had any part in the proceedings.

Four East European countries, namely, USSR, Poland, Czechoslovakia, and Yugoslavia participated at Bretton Woods. However, the USSR chose not to join IMF, Poland resigned in 1950 and Czechoslovakia withdrew in 1954. The reasons advanced by socialist countries for not participating in the Fund relate to the system of weighted voting according to members quota - a system designed to give veto power to the USA in respect of important decisions - the requirement that members report their gold and foreign exchange holdings and keep part of them in the USA, and the terms on which members are allowed Fund Credits (conditionality)[2], issues to which we shall come back later on.

The IMF began financial operations in March 1947, and in that year there were 49 member countries. Its capital was about U.S. $8 billion. In 1981, the IMF had 141 member countries and subscriptions by members amounted to about ten times the amount of its original capital.[3]

Noteworthy for their absence from IMF membership among the under-

Digitized by Google

developed countries are Cuba, Angola and Mozambique. Cuba was a founding member but withdrew in 1964, while Angola and Mozambique did not join after independence. On the other hand, the Socialist Republic of Vietnam assumed the place previously held by South Vietnam, while other countries such as Afghanistan, Ethiopia, Kampuchea, Laos, Grenada and Nicaragua in which radical political changes have taken place maintained their membership.[4] Countries such as Cuba, Angola and Mozambique are not also members of such other imperialist controlled international financial institutions as the IBRD and IDA, which require prior membership in the IMF.

Aims and Functions

The fund claims to have two main functions. These are , first, to administer among member countries a code of conduct with respect to exchange rate and payments policies and, second, to provide members with financial resources to enhance them to observe the code of conduct. The needed resources were to be obtained mainly from members' subscriptions. The Fund claims that by fulfilling these functions it can attain the objectives prescribed to it upon its inception. These objectives include, among others, the promotion of international cooperation in monetary issues, facilitating growth in international trade, the promotion of exchange stability and making financial resources available to members with payments imbalances.[5] In reality and as we shall see below, however, the main task of the IMF is "in the eyes of its founders to "save" capitalism, implant and consolidate private enterprise and bolster the financial domination of monopoly capital in currency and foreign trade dealings."[6]

The Bretton Woods System: Its Main Principles and Collapse

In 1944 at Bretton Woods, a par value system of exchange rates was agreed upon, which was designed to keep exchange rates more stable than during the period of the Great Depression but also to allow them to be more flexible than under the gold standard. Each member country of IMF agreed to establish a par value for its currency in terms of gold or U.S. dollar and to keep its exchange rate from fluctuating by more than 1% above or below its par value. The par value could be changed only in case of fundamental (that is, large and persistent) disequilibrium and with the permission of the IMF (except for cumulative change of 10% or less). As part of the agreement setting up the IMF, the U.S. made a standing commitment to exchange into gold any dollar presented to its central bank at the fixed gold price of $35 per ounce.

This commitment, together with the fact that the US came out of world War II with, by far, the strongest economy in the world and holding 75% of the total gold stock of the capitalist countries enabled the dollar to appear "as good as gold." Nations were therefore eager to accept payments in dollars and accumulate them

Digitized by Google

as international reserves. As a result, the US could finance its deficits by using its own currencies. The US printed large quantities of dollars with which it financed imperialist wars like the ones in Korea and Vietnam, maintained military bases on foreign soil, made large-scale investment abroad, imported large quantities of raw materials and other goods from the rest of the world and aided its partners abroad. The result was that by the end of 1970, foreigners held over $52 billion in dollars against the $11 billion of U.S. gold reserves.

Earlier in 1969, in an attempt to meet the growing demand for international reserve asset while avoiding a dollar crisis, the Fund was given the authority to create a new asset, the Special Drawing Right (SDR). Special Drawing Rights (SDRs), a new type of international asset, are created on the books of the IMF and are distributed to members in proportion to their quotas. Members may use them as reserve assets and as a substitute for gold in international payments. The SDR has become IMF's official unit of account. It is determined by reference to a basket of currencies.[7] Along with the authority to create SDRs, the IMF was thus given a further function, namely, regulating the stock of SDRs.

The balance of payments position of the United States kept on deteriorating, nevertheless, and in 1971, three small European central banks, losing confidence in the U.S. economic situation, presented part of their dollar holdings at the Federal Reserve Bank to be converted into gold. Since the amount of dollars held as official reserves abroad was much larger than US gold reserves, the US feared that if it agreed to convert into gold the dollars presented to it by those central banks, other central banks would rush in to convert their dollar holdings into gold before US gold Reserves were exhausted. Consequentely, the US suspended the gold convertibility of the dollar, within a few days, on August 15, 1971.

Thus in 1971, USA announced a unilateral decision to suspend the convertibility of its dollar into gold, in contravention of the IMF agreement. During the same year, the crisis of US dollar led to the devaluation of the dollar by 8.6% and in 1973 by 10%. The official price of gold thus rose from $35 per ounce in 1971 to $42.22 in 1973. In the meantime, the dollar remained inconvertible into gold.[8]

It soon became obvious that the system of fixed rates could no longer be maintained. Subsequently, the United States and the other developed capitalist countries renounced the system of fixed exchange rates and adopted the practice of floating rates (collectively or individually) through a series of agreements and unilateral moves. The final decision in this respect was agreed upon at a meeting of the Interim Committee of the IMF that met in Jamaica in 1976. These were incorporated in the Second Amendment of the Articles of Agreement which became effective in 1978.

Digitized by Google

The Amendment while giving the fund the power to exercise survell-lance over the exchange rate policies of members, renounced the obligatory fixing of exchange rates and allowed members to peg the value of their currency to that of another currency or to a composite or basket of currencies including the SDR or allow the value of their currency to float. The amendment also abolished the official price of gold and terminated the role of gold as an obligatory means of payment in transactions between the Fund and its members.[9] While the Bretton Woods system thus collapsed, the monetary crisis of the capitalist world remained unaverted.

The IMF Makes Ues of the Image and Authority of the United Nations

The IMF is officially a specialized UN body and relations between the two are regulated by the agreement signed in 1948. According to that agreement UN representatives have the right to participate (without voting rights) in the work of the fund's Board of Executive Directors, while IMF representatives are entitled on the same basis to participate in the work of the UN General Assembly and Economic and Social council. Any interference in IMF activities or policy on the part of the United Nations is prohibited; it is an autonomous fund and its status is defined in the Agreement. The Agreement between the UN and the IMF did not place the fund under any obligations and was useful to the Fund's intitiators only insofar as it lent their activities the useful screen of the UN image and authority.[10]

The Determination of Voting Power by Quota Size Makes the IMF the Tool of Imperialism

The regular resources of the IMF come from contributions (quotas) of its member countries - the largest source - and borrowing from members. The size of the quotas depends on the country's national income, monetary reserves, trade balance and other economic indications.[11] Quotas determine voting power, members' obligatory contributions, the limits of each member's borrowing, and the distribution of Special Drawing Rights (SDRs) and part of the profits from IMF gold sales.[12]

In 1981, Fund quotas totalled SDR 59.6 billion. Within this total, individual quotas range from the USA's SDR 12.6 billion (21.2% of the total) to the Maldive Islands' SDR 1.4 million. Other quotas over SDR one billion, in descending order and in SDR billion, are those of: U.K. 4.4, Federal Republic of Germany 3.2, France 2.9, Japan 2.5, Canada 2.0, Italy 1.9, Peoples Republic of China 1.8, India 1.7, Netherlands 1.4, Belgium 1.3, Australia 1.2 and Saudi Arabia 1.04. Ten developed capitalist countries, known as the Group of Ten (USA, UK, FRG, France, Japan, Canada, Italy, the Netherlands, Belgium and Sweden) have 55% of the total. The Group of Ten wields decisive influence in the Fund. The twenty five member countries falling within

Digitized by Google

the developed capitalist group share among themselves about 65% of the total, the remaining 116 member countries accounting for the remaining 35%. The 48 African member countries (which excludes South Africa) account for only about 7% of the total. Ethiopia has a quota of SDR 54 million, or 0.09% of the total.

The determination of voting power by the size of the quotas results in the Fund's Board of Governors and the Excutive Board being controlled by imperialist countries. Formally, the IMF's supreme body is its Board of Governors, on which each member country is represented by a Governor and an Alternate Governor. The voting power of each member in the Board of Governors is closely related to its quota in the Fund. Each member of the IMF has 250 votes plus one vote for each SDR 100,000. Thus, for example, the United States has 126,325 votes, or 20.01%of the total votes. The Group of Ten together have 51.4% of the total votes. Thus, decision making power within the Board of Governors is highly concentrated in the hands of the developed capitalist countries.[13]

The Board of Governors, which normally meets once a year has delegated much of its power to the Executive Directors. In fact, it is in the hands of the Board of Executive Directors that real power is concentrated. The 22 member Board of Executive Directors, responsible for the day-to-day operations of the Fund, is in continuous session in Washington, under the chairmanship of the Managing Director. The members with the five largest quotas, namely USA, the UK, the Federal Republic of Germany, France and Japan each appoint one Executive Director. Saudi Arabia also appoints an Executive Director under the provision that if the first or second largest creditor member of the Fund is not among the "big five" that member may appoint an Executive Director. This is a two-year arrangement and will be extended if conditions continue to be fulfilled. The peoples Republic of China is allowed to elect a director with only that country in its consistituency. The 15 remaining Executive Directors are elected for two year terms by groups of member countries with similar interests. As in the Board of Governors, the voting power of each member in the Executive Board is related to its quota in the Fund.[14] Each of the executive directors appointed by his government has 250 votes plus an additional vote for every 100 thousand SDR'S of his country's subscription to the IMF. Each of the Executive Directors who is elected has 250 votes plus an additional vote for every 100 thousand SDR's of the quota of those countries that elected him.[15]

As regards majority requirements, the general requirement is stated to be a simple majority of votes cast, most important decisions need a majority of 70 percent or 85 percent of the total voting power. The 85 percent rule applies to such key elements of IMF operations as chang-

Digitized by Google

es in quotas, exchange arrangements extension of IMF credit facilities beyond the normal five-year maximum repayment period, use of IMF gold, increase in the number of executive directors, allocation and cancellation of SDR's and the principles of their valuation. The significance of the 85 percent rule is that it enables the USA, on its own, to veto any decision requiring this majority. The share of the USA in total voting power is not just over 20 percent, as noted above.[16]

The Managing Director of the Fund serves as head of its staff, which is organized into departments by function and area. It is so far an uncontested tradition that the Managing Director of the IMF is a West European (while the President of the IBRD is a US citizen). Managing Directors to date have been Camille Gutt, Belgium (1946-51); Ivar Rooth Sweden (1951-56); Per Jacobsson, Sweden (1956-63); Pierre-Paul, Schweitzer, France (1963-73); Johannes Witteven, the Netherlands (1973-78); and Jacques de Larosiere France (1978). Also by tradition the Deputy Managing Director is a US citizen. The key departments of the IMF are the Research Department and the Exchange and Trade Relations Department, which constitute the "brain trust" of the Fund.[17]

The Provision of Credit with Conditions Oriented Towards Bourgeois Ideology

The IMF is known for the multiplicity of the types of credit it provides to member countries. However, as regards conditionality, which in the IMF jargon refers to conditions attached to the credit provided to member countries, the Fund is generally governed by the following rule. No conditions are attached to the initial credit obtained by a member country in need of balance of payments support as long as it does not exceed 25% of the member's quota and which thus corresponds to the SDR or "hard" currency element of the member's contribution. To have access to a further 25% of quota, a member must present the IMF with an economic programme demonstrating that it will make "reasonable efforts" to overcome its balance of payments difficulties.

Beyond this, credits are subject to conditionality. This means that in order to obtain the needed credit, a member must obtain the agreement of the IMF to a "stablization" programme, usually of one year's duration (but sometimes two) and to a related "performance" criteria. The agreement of the IMF, which serves as a green light to providers of commercial credit, is usually obtained after a negotiation process in which the leverage of the Fund is in proportion to the seriousness of the plight of the borrowing country. The policies that the borrowing member is required to implement are described in a "letter of intent." Once agreement, is reached, credit is made available under a "stand-by arrangement" on which phased drawings may be made. Performance criteria, or tests are used to determine whether mem-

Digitized by Google

bers can continue to draw under stand-by arrangements. Failure to adhere to performance criteria, which are checked at regular intervals normally results in the suspension of access to the credit until the program is renegotiated.[18]

The basic components of the policies, or stabilization programme prescribed by the IMF for countries with balance of payments deficits are the following:-

Domestic anti-inflationary programmes, including;-

. Control of bank credits; higher interest rates...
. Control of the government deficit: curbs on spending, specially in social services;
. Increases in taxes and in prices charged by public enterprises;
. Abolition of consumer subsides;
. Control of wage rises, so far as within the government's power.

- Dismantling of price controls;
- Encouragement of private foreign investment;
- Abolition or liberalization of foreign exchange and import controls;
- Devaluation of currency.[19]

The IMF claims to have a "scientific" basis for these policies and to be an objective and neutral institution charged with the "technical" function of "helping" countries to overcome their financial difficulties. The record shows nevertheless the opposite. The "Arusha Initiative", a document produced by the South-North Conference on the International Monetary system and the New International Economic Order held in Arusha, Tanzania, in 1980, strongly and correctly argues that the IMF is not scientific, not objective and not neutral.

The IMF is not scientific because its analytical approach and policy prescriptions ignore the structural and inevitable nature of balance of payments problem that result from the development process. Its instruments were never designed to cope adequately with the development deficit problems of under-developed countries, or with "shock" deficits arising out of sudden and unforseen adverse turns in their import costs or export incomes. These phenomena are now qualitatively different from when the IMF was set up. Nevertheless, the Fund continued considering them as temporary situations, susceptible to correction through monetary policy.

The IMF is not objective in the application of its own criteria. Double standards have been applied to similar situations. Certain countries because of their political orientation and international weight receive more lenient treatment than others, whose development strategies do not gain the sympathy of the Fund and who are thus subjected to extremely harsh conditions. The attitudes of the International Monetary Fund have ranged from the passive acceptance of the unilateral abrogation of the major principles of the monetary system established at Bretton Woods to the severe conditions imposed upon a number of under-

Digitized by Google

developed countries.[20]

The IMF is not neutral because it systematically bases its prescriptions on capitalist ideology, giving the major role to local private enterprise and international investment. It envisages the state in a restrainad and subsidairy role, promoting the free play of national and international market forces. The principle of state participation and intervention, involving a significant presence of public enterprises, is frowned upon by the IMF.

The IMF has proved to be a basically political institution. It tends to reproduce capitalist relationships by constraining national efforts which promote basic structural transformations in favour of the masses. It favours capital at the expense of labour and the private sector at the expense of the public sector. Its orientation is fundamentally incompatible with an equitable conception of structural change, self-reliance and endogenous development. The IMF prescriptions systematically favour anti-socialist forces of society. Worse still, when these forces constitute real national power alternatives, the Fund prescription and its manner of dispensing them become a clear form of external political intervention in their favour.[21]

Some of the "scientific" basis of the prescriptions in the view of the IMF are as follows. Inflation, expected to discourage exports and encourage imports, is defined in the macro monetary theory of the IMF as an imbalance between the supply of money and the volume of goods and services in the country. According to the view of the IMF, since the money supply expands because of government deficit spending and the creation of credit by banks, these must be restrained to put a halt to inflation. The Fund also views as a positive necessity a rise in taxes and prices charged by public enterprises which will take money out of citizens' hands and put it at the disposal of the government. A rise in the rate of interest is supposed to encourage saving and discourage borrowing. It would also encourage foreigners to deposit their savings in the country concerned. The control of wage rises would help to check not only price rise and therefore inflation but also imports by curbing excess total demand. The dismantling of price control by allowing the price mechanism to function, would enable to overcome distortions in resource allocation. Too much government intervention in the market in the eyes of the IMF will bring about distortions in resource allocation and flight of capital.

According to the IMF, abolition or liberalization of exchange and import controls would enable the free flow of resources, goods and capital and consequently, would bring about more efficient resource allocation. Devaluation, by increasing the price of a unit of the foreign currency, would make a nation's imports more expensive in terms of the domestic currency and its exports cheaper to foreigners in terms of the foreign

Digitized by Google

currency. The encouragement of foreign investment would help increase foreign exchange inflow into the country.[22]

The assumptions behind the IMF prescriptions are, thus, that exports and imports, and savings and investment will respond to changes in the structure of relative prices, and that "the market knows best." Especially for the under-developed countries, the IMF medicine is not only ineffective but also quite bitter. Balance of payments deficit is blamed on domestic inflation but the inflationary prices for imports from the developed capitalist countries to the under-developed countries is ignored. It is also blamed on the lack of exports, but the tariffs and quotas slapped on the under-developed countries' manufactured exports by the developed capitalist countries are also ignored. Instead, "internal adjustments" are demanded - cuts in government spending, restriction of lending by local banks, devaluation of national currency, provision of free reign to private investment and so on.

Cuts in government spending, however, mean a cut in welfare policies which do something to redistribute income in favour of the poor. Withdrawing subsidies on basic foods, or on public utilities like transport, hits the poorest hardest. Credit restrictions mean bankruptcies for small firms. Bigger firms and foreign companies somehow tend to get the credit they need quite cheaply. The bankruptcies put more people out of work, joining those laid off by government departments suffering cutbacks in their budgets.

Devaluation does little to alleviate the balance of payments problem of the typical under-developed country. Most imports of such a country are unavoidable; they still have to be bought. The only difference is that because the national currency is worth less the imports will cost more. Also, devalution significantly increases the foreign debts a country has to pay. With the currency worth less against other currencies, more of it is needed to pay off the loan. Furthermore, cheaper prices of national exports of a typical under-developed country may not often mean more income but less. One reason for this is that the main problem that an underdeveloped country faces may be the smallness of its production for export rather than lack of market for its exports. Another reason is that many primary commodities, particularly the agricultural ones, are not sensitive to price changes. People often don't drink more coffee if it is, say, 15 percent cheaper. And even if the lower priced commodities do capture more of the market, it will be at the expanse of another competing underdeveloped country. The problem is simply shifted elsewhere.[23] After devaluation which results in increased price of imported items in terms of the domestic currency, the cost of living goes up while real wages and living standards go down, particularly for the working people. Those to be hit first of all by devaluation are the people who have only their wages to

Digitized by Google

live on, while the owners of large-scale private property (landowners and capitalists) suffer no major losses and often find it advantageous. Yet it is the foreign monopolies of course who benefit most from the situation. Foreign companies with investments in the devaluing under-developed country are gainers insofar as the wages they have to pay the workers in that country now cost them, in terms of foreign currency less than what they used to before devalutation.

The IMF presses for the control of wage rises claiming that increased wages are inflationary. It is important to restate here that devaluation, for which the IMF keeps pressing, is a main cause of rising prices, particularly in those countries whose economies are extremely dependent on imports. Why then the demand for the introduction of wage freezes? The reason is because the IMF is not netural. It must be borne in mind that the IMF's demand for wage freezes is directed first and foremost towards securing maximum possible profits through the exploitation of the working people and through advantages from inflation for the foreign monopolies.[24]

That the IMF prescriptions are not only useless but also harmful, particularly to the under-developed countries, has been repeatedly emphasized. For example, resisting the Fund's meddling in Tanzania's affairs, President Nyerere spoke in 1980, as follows:-

The IMF lays down conditions for using any of its facilities. We, therefore, expected that there would be certain conditions imposed. But we expected these conditions to be non-ideological.

Tanzania is not prepared to devalue its currency just because this is a traditional free market solution to everything and regardless of the merits of our position. It is not prepared to surrender its right to restrict imports by measures designed to ensure that we import quinine rather than cosmetics, or buses rather than cars for the elite.

My Government is not prepared to give up our national endeavour to provide primary education for every child, basic medicines and some clean water for all our people. Cuts may have to be made in our national expenditure, but we will decide whether they fall on public services or private expenditure. Nor are we prepared to deal with inflation and shortages by relying only on monetary policy regardless of its relative effect on the poorest and less poor.

Our price control machinery may not be the most effective in the world, but we will not abandon price control; we will only strive to make it more efficient. And above all, we shall continue to build a socialist society.

President Nyerere continued, thus:-

"When an international insti-

Digitized by Google

tution refuses us access to the international credit at its desposal except on condition that we surrender to it our policy determination, then we make no application for that credit. The choice is theirs - and ours.

But such conditions do reinforce our conviction about the importance of the Third World demand for changes in the managment structure of the IMF. It needs to be made really international, and really an instrument of all its members, rather than a device by which powerful economic forces in some rich countries increase their power over the poor nations of the world."[25]

According to Michael Manley, the Ex-Prime Minister of Jamaica,

IMF prescriptions are designed by and for developed capitalist economies and are inappropriate for developing economies of any kind;

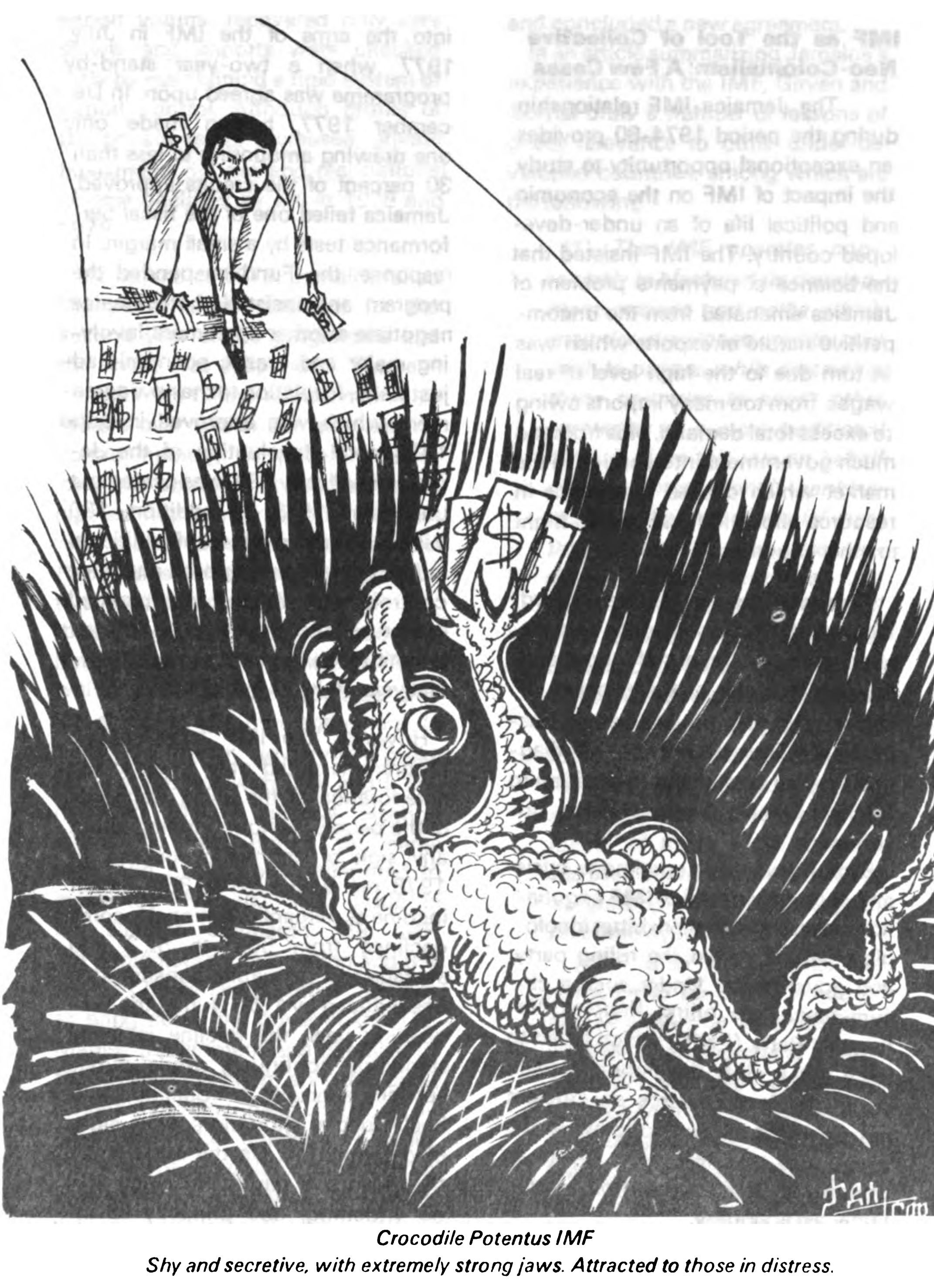
The severe suffering imposed on a developing society through IMF conditionality is endured without any real prospect of a favourable economic outcome and without an adequate foundation of social welfare provisions to mitigate the hardships experienced by the people;............

...

The punitive withholding of tranches of foreign exchange as a consequence of the failure to meet periodic IMF tests condemns the defaulting country to a worsening of the foreign-exchange situation which the IMF involvement itself is aimed at improving.[26]

All in all, analysis of the IMF "stabilization" programmes in the under-developed countries suggest that their underlying objective is to ensure repayment to foreign commercial and other debts by depressing local demand; reducing interventions into the market by restricting the role and activity of the state; and increasing the global rate of profit for capital by devaluing the real cost of labour power. In effect these countries are called upon to bear a major part of the burden of adjustment required by instability in the world economy over which they have little or no control. Moreover, it cannot be mere coincidence that the harshest IMF measures are reserved for those countries that appear to be following the socialist path of development.[27]

Digitized by Google



Crocodile Potentus IMF
Shy and secretive, with extremely strong jaws. Attracted to those in distress.

Digitized by Google

IMF as the Tool of Collective Neo-Colonialism: A Few Cases

The Jamaica-IMF relationship during the period 1974-80 provides an exceptional opportunity to study the impact of IMF on the economic and political life of an under-developed country. The IMF insisted that the balance of payments problem of Jamaica emanated from the uncompetitive nature of exports which was in turn due to the high level of real wages, from too many imports owing to excess total demand, plus from too much government intervention in the market which caused distortions in resource allocation and capital flight to other countries.

The root of the problem was accord ing to the IMF, the shift in the balance of advantage in favour of labour and the public sector at the expense of capital and the private sector, respectively. Thus behind the IMF diagnosis lay an underlying opposition to Michael Manley's progressive government.

Each new foreign-exchange crisis and each new round of IMF negotiations brought with them bitter ideological battles within the ruling party and government. Under such a circumstance, the ruling Peoples Nationalist Party (PNP), which failed to trace out a clear development path, could not lead towards an efficient management of the economy. At the same time the IMF was given an opportunity to tighten its hold on the Jamaican economy.

After resisting the IMF proposals for sometime, Jamaica was driven into the arms of the IMF in July, 1977 when a two-year stand-by programme was agreed upon. In December 1977, having made only one drawing amounting to less than 30 percent of the credits approved, Jamaica failed one of the fiscal performance tests by a small margin. In response, the Fund suspended the program and insisted that Jamaica negotiate another agreement involving major and drastic economic adjustment. In relation to the new agreement which was approved in June 1978, total devaluation of the Jamaican dollar by 49% was carried out until May 1979. In addition, 180 million Jamaican dollars of additional indirect taxes was imposed and price controls were lifted. It was planned to increase the price level by 40% and to limit wage increases to 15% in the first year of the program.

However, the IMF "stablization" programme could only result in the deterioration of the living standards of the people without bringing about any sign of economic success. In 1978, real wages fell by 35%, labour income as percent of national income declined from 55.2 to 52.3 and average real per capita consumption was reduced by 13%. During the succeeding year, the decline in living standards continued, while public services specially in education and health began showing serious signs of deterioration. On the other hand, the balance of payments deficit kept on widening, due primarily to increases in outflows for repayment on external debts. Despite devaluations,

Digitized by Google

export volume recovered only very slowly and imports were checked only by maintaining a rigid system of import control. Although profits of the private sector increased, private investment did not and real national income declined by 2% in 1978 and 1979.

At he end of 1979, Jamaica failed the performance tests set for the second year of the programme and the credit was suspended. The reasons for the failure related mainly to factors over which Jamaica had no control-namely, oil price increases over and above what had been anticipated, higher international inflation and interest rates than expected and flood rains which reduced agricultural production and exports.

At this point, IMF demanded a 20% budget cut as the condition for a waiver of the performance tests and the approval of a new agreement. In 1980, the Manley government broke off negotiations with IMF and it announced that a general election would be held during the same year. The ruling Party attempted to make the IMF the main issue in the election campaign. The IMF the parliamentary opposition and the strong private sector acted together to bring down the government. The Manley government was defeated in the general election and the conservative pro-imperialist Jamaica Labour Party (JLP) headed by Edward Seaga came to power. Following the change of government in late 1980, the new administration immediately reopened negotiations with the IMF and concluded a new agreement.

In an article summarizing Jamaica's experience with the IMF, Girvan and Bernal draw a number of lessons of direct relevance to other under-developed countries, among which are the following:-

(1) *The IMF operates consciously to block certain development options and paths which an under-developed country may wish to pursue, while pressuring these countries to adopt other strategies of a more traditional kind. It plays this role on behalf of the international banking system, the transnational corporations, and the major industrial capitalist countries.*

(2) *In order to do so, the IMF must actively intervene in the domestic political economy of Third World countries to undermine the political position of those social forces seeking new development options and to shift the balance of power in favour of those social forces - and their political representatives -supporting the economic path favoured by the IMF.*

(3) *It is of fundamental importance to the IMF's mode of of operation that its underlying political and ideological objectives are concealed behind a veil of technical and "scientific" analysis that pretends to be free from political and ideological bias.*

(4) *For any one Third World country dealing with the IMF,*

Digitized by Google

domestic contradications within the government and the ruling party, as well as the lack of a coherent economic strategy which integrates political philosophy with economic management and popular mobilization, can prove fatal to the political survival of the government.[28]

The IMF relations with many other under-developed country members repeat in varying degree the Jamaican experience. In Peru, in 1978, IMF imposed a series of "stabilization" measures aimed at ensuring that country's ability eventually to repay its accumulated external debt. In an attempt to decrease the government's budget deficit subsidies and social services have been cut drastically. A A number of state-run productive enterprises have been sold back to the private sector and IMF representatives virtually took over the ministry of finance. As a result, unemployment and underemployment have reached 45% of the labour force and prices soared to more than 75% with no corresponding wage increases. In response, general strikes which occured repeatedly virtually paralyzed the economy.

In 1978, when Zaire faced serious problems in repaying its external debt, IMF intervened on behalf of the Zairian creditors and took virtual control of the economy. One IMF representative was sent in to run Zaire's central bank and another representative was sent to administer that country's ministry of finance. While one can easily anticipate the result of the IMF-imposed austerity measures, Zaire's loss of sovereignty should certainly not be taken lightly.[29] In Sudan, around the beginning of this year, an IMF-imposed economic austerity programme was put into effect. Under this programme, there would be new increases in sugar, wheat and petrol prices without corresponding increases in wages. Severe cuts would also be made in government expenditure. In response to the austerity programme, riots which resulted in loss of life and property took place in many parts of the country.[30]

An attempt by IMF to control the Tanzanian economy triggered a response from President Nyerere who, in a New Year Message in 1980 to the Diplomats accredited to Tanzania, asked himself: "When did the IMF become an International Ministry of Finance? When did nations agree to surrender to it their powers of decision-making?"[31] It is time that many under-developed countries ask themselves the same question.

Need For a New International Monetary System

Analysis of IMF experiences thus reveals that under-developed countries should press for comprehensive reforms of the international monetary system within the context of a new international economic order, while at the same time pressing for short-term steps which must be taken in the meantime to deal with the immediate problems. Some of the main attributes of the new international monetary system to be constructed, as sug-

Digitized by Google

gested by the Arusha Initiative, must be:-

- Democratic management and control:- While it may be inevitable that significant influence will be wielded by economically powerful countries, the interests of the majority of the world must be clearly reflected.

- Universality:- As trade and payments have become increasingly internationalized, global interdependence demands that all countries should participate in the institutional arrangements for international monetary management.

- The establishment of an international currency unit as the international means of exchange and primary reserve asset:- The world cannot continue to afford a situation where one country imposes its own currency to play this role, and uncontrolled international money creation and transnational speculative movements are allowed to occur.

Since the process of building a new international monetary order will undoubtedly be long and difficult, under-developed country members need to develop a coordinated position in their dealings with the IMF so that short term steps, like the following ones, may be taken. First, the IMF should be equipped and prepared to finance those deficits which are the natural consequence of serious and disciplined efforts to development and structural change. The conditionality of such financing must reflect the sovereign right of states to choose their own path of development. In particular, there must be no penalization of countries which follow the socialist path of development. Rather, assistance needs to be provided to help these countries to overcome the difficulties and obstacles which such a development strategy necessarily encounters.

Secondly, access of the underdeveloped member countries to IMF credit must be guided by an unambiguous recognition that a large part of the deficits these countries now experience is attributable to factors for which they are in no way responsible. These include high international inflation, weak and fluctuating export prices, low demand for their exports, deterioration of their terms of trade and high interest rates: all symptoms of the present international monetary disorder, in particular, and an unjust international system, in general. Financing such deficits by the IMF must be much more flexible, automatic and not guided by present conditionality criteria.[32]

Thirdly, the technical soundness of the Fund's economic analysis and prescriptions have to be thoroughly evaluated to expose its deficiencies. The objective must be to demonstrate that a far more flexible and imaginative approach should be developed to deal with balance of payments deficits generated for example by internal structural reforms which are, in any case, the sovereign right of these countries to undertake. Pres-

Digitized by Google

sure should be exerted for the demystification of the shroud of secrecy surrounding the Fund's operations. Letters of intent between borrowing countries and the Fund should be published and borrowing countries should exchange information about their dealings with the IMF.

Fourthly, provision should be made for arbitration in the event of major dispute between the Fund and a borrowing country over such issues as the content of a proposed stabilization programme. These are only a sample of the short term steps needed to be taken by the IMF.

To sum up, there is no doubt that the International Monetary Fund as it now exists, basically promotes the interest of world imperialism. Underdeveloped countries undertaking internal structural reforms need therefore to learn from past experiences, and as they struggle for a new international economic order, manage the process in such a way as to avoid delivering themselves into the hands of the IMF whose principal objective is to arrest their chosen path of development. Hence, such countries need to have strict controls over foreign trade and follow a disciplined approach to the generation of local production. Strengthening economic links with the socialist countries is a must for underdeveloped countries particularly those following the socialist path of development. In addition, the government should adopt forms of political mobilization, organization and education which enable it to secure the active cooperation of the working class and its allies, and the moral authority to ask for sacrifices. Working People do make sacrifices willingly when they know that the result would be a better future.[13]

NOTES

1. Jack Woodis, *Introduction to Neo-Colonialism; the New Imperialism in Asia, Africa and Latin America* (New York; International Publishers, 1967). P. 93; Kwame Nkrumah, *Neo-Colonialism - The Last Stage of Imperialism* (New York: International Publishers, 1965), PP.242-43.
2. "Background Notes on the International Monetary Fund," *Development Dialogue*, No. 2 (1980), PP. 95-96.
3. A.W. Hooke., *The International Monetary Fund: Its Evolution, Organization and Activities* (Washington, D.C.: IMF, 1981), pp. 71-75.
4. Ismail - Sabri Abdalla, "Bretton Woods and the Dollar Standard," *Development Dialogue*, No. 2 (1980), pp. 27-30, 54. Norman Girvan, "Swallowing the IMF Medicine in the Seventies," *Development Dialogue*, No. 2 (1980), pp. 60.
5. Hooke, *Ibid.*, p. 2.
6. Vasily Vakhrushev, *Neo-Colonialism: Methods and Manoeuvres*, (Moscow: Progress Publishers, 1973), p. 208.
7. *Europa Yearbook*, 1981 Vol. I, p. 56. Hooke p. 59.
8. Dominick Salvatore, *Theory and Problems of International Economics* (New York, McGraw Hill, 1975), pp. 163-69, 176-77.
9. Hooke, *Ibid.*, pp. 5-7.
10. Vasily Vakhrushev, *Ibid.*, p. 203.
11. *Europa Yearbook*, 1981, Vol. I, p. 55.
12. *Development Dialogue*, No. 2, (1980), pp. 96-97.
13. *Development Dialogue*, No. 2, (1980), pp. 98-99: *Europa Yearbook*, 1981, p. 59.

Digitized by Google

14. Hooke; pp. 71-75; *Europa Yearbook*, 1981, p. 55.
15. Vasily Vakhrushev, pp. 203-4; Hooke, pp. 11-13.
16. *Development Dialogue*, No. 2 (1980), p. 100.
17. *Ibid.*, p. 102.
18. *Ibid.*, pp. 107-9; Hooke, *Ibid.*, pp. 40-55.
19. Cheryl Payer, *Debt Trap* (New York: Monthly Review Press, 1974), p. 33.
20. "The Arusha Initiative," *Development Dia*logue, No. 2, (1980), pp. 13-14.
21. *Ibid.*
22. Cheryl Payer, *Ibid.*, pp. 36-37; *Develop*ment *Dialogue*, No. 2, (1980), p. 66; *Theory and Problems of International Economics*, p. 155.
23. *New Internationalist*, Leicester (U.K.), No. 69, (Nov. 1978), p. 6.
24. Vasily Vakhrushev, *Ibid.*, p. 229.
25. "No to IMF Meddling. Extract From President Neyerere's New Year Message 1980 to the Diplomats accredited to Tanzania," *Development Dialogue*, No. 2, (1980), pp. 7-9.
26. Message from the Prime Minister of Jamaica. Hon. Michael Manley, to the South-North Conference on the International Monetary system and the New International Order, *Development Dialogue*, No. 2 (1980), pp. 5-6.
27. "The Terra Nova Statement on the International Monetary System and the Third World," *Development Dialogue*, No. 1, (1980), p. 31.
28. Norman Girvan and Richard Bernal; "The IMF and the Foreclosure of Development Options: The Case of Jamaica," *Monthly Review*, No. 9, (1982), pp. 34-38.
29. Jeff Frieden, "Borrowing from Commercial

Banks by the Less developed Countries: Past, Present and Future," *Appeal to Reason*, No. 1, (Summar 1980), pp. 68-69.
30. *Keesing's Contemporary Archives*, April 16, 1982, p. 31443.
31. *Development Dialogue*, No. 2, (1980), p.8.
32. *Ibid.*, pp. 19-20.
33. *Development Dialogue*, No. 1, (1980), p.33

Digitized by Google

Law-Legal Views and Concepts

It is now eight years since the masses of the Ethiopian people embarked upon the struggle to shatter the shackles of exploitation and oppression that had chained them for centuries and to construct a society in which equality, freedom and prosperity prevail. The struggles waged and the sacrifices paid by the Ethiopian masses during these years to crash the defunct system irreparably and erect the new system are indeed heavy. Nevertheless, the Ethiopian masses have been constantly scoring highly significant victories in the various spheres. Above and beyond everything, the Ethiopian masses have not only officially declared scientific socialism as their political guideline and principle but are also learning and assimilating it ever more.

The Ethiopian masses are striving to gain a comprehensive grasp of the ultimate goal and direction of thier struggle, to identify the remaining phases of the struggle and as such accomplish the tasks that are essentail to the successful completion of the transition period. Above and beyond their struggle towards party formation, the laying down of a reliable foundation for socialist construction and the establishment of a strong popular defence force, they are visualizing a future replete with

Digitized by Google

struggles and victories in the various spheres.

The Ethiopian Revolution has irreparably crashed the former feudo-bourgeois ruling class. It is also gradually bringing an end to the remnants of the former ruling classes through a systematic and concerted struggle. At present it is laying down a firm foundation for socialist construction and ascertaining the practical realization of the fundamental democratic rights of the working people stage by stage.

In order to attain the full practical realization of democracy, it is essential to ensure the supremacy of the working people. And in order to ensure this supremacy, it is essential to have a clear conception of law, the instrument for ensuring this supremacy, along with legal principles, theories and legal history, its future trends and directions of development. Hence, the fundamental essence of law and the administration of justice have to be made categorically clear to the society at large. And the aim of this article is to raise some points in this regard.

Law Defined

It is indeed many who consider law and justice as an isolated field of knowledge and legal practitioners who work in the administration of law and justice as an isolated group of professionals. It is by and large bourgeoise legal practitioners who have contributed to the prevalence of this mistaken view. This View again is, not merely mistaken but also dangerous. Presenting law, legal analyses and legal procedures as wholly alien to the majority and as the restricted domain of legal professionals and intellectuals alone or to wish that they remain so, or to propagate this view is in short, very unscientific.

Law cannot be considered apart from the stage of advancement, the historical development, and the historical phenomena in society or, in general, the dialectical interrelationship of these phenomena in a given society. This is because development in nature as well as in society is governed by natural and objective laws.

Law is an instrument which governs the relationships between phenomena, establishes rights and obligations in society, affects individual and social interests in a given society and determines the type of relationship between the individual and his environment or society.

In broader terms "A law is an internal intrinsic connection and interdependence between phenomena."[1] This scientific definition embraces laws governing all phenomena ranging from the particular to the universal and the relationships thereof. The definition of law as used in this article, though it falls under the aforementioned broad definition of law, particularly concerns law as an instrument for the attainment and maintenance of power in a given society and embraces the forms of relationship in a given state structure and the fundamental principles related to these.

Digitized by Google

Hence, law, as used in this article is defined as an instrument that restricts and determines the relations that should exist under a given state, at a given place and time in a given society at a given stage of development.

As has been pointed out in *The Communist Manifesto,* the history of all hitherto existing class societies is the history of class struggle.[2] And as we have observed earlier, law is a part of the state political apparatus which determines rights and obligations and the administration of justice in the society. And as such it can not be considered apart from the overall historical process of social development. As mentioned above since the history of society is a history of class struggle, law and its historical evolution are directly connected with the class struggle.

The dialectical process of the history of class struggle is at once the history of social development. The level of development of a given society is determined by the economic system which prevails in it at a given epoch and the relationship between this economic stystem and other social phenomena. The economic system rests on the mode of production that prevails in the society at a given epoch and as such cannot be considered apart from the system of economic relations that prevailed and still prevails in society. That is why Marx and Engels viewed law" as merely part of the superstructure of society, the content, purpose and very existence of which was determined by the economic basis."[3] Law is thus an instrument by means of which the ruling class keeps itself in power[4] and draws its *raison d'etre* from the existence of antagonistic classes. In its aspect as part of the superstructure law assumes wholly political form and content.

In the course of the history of the development of society, law, as a political instrument, has variously served the interests of different classes. Its class orientation has also been attached to the dominance of the given social class all the time. In slave society, the two antagonistic classes are those of the slave owner and the slave who is considered as a chattel. Power and authority is in the hands of the slave-owning class. Thus law under the slave system fully serves and protects the interests of the slave-owning class. The implements for tilling the fields under the slave system were, for instance, divided by law into three categories.[5]

- Dumb implements
- Implements that emit inarticulate sounds
- Implements possessed of speech

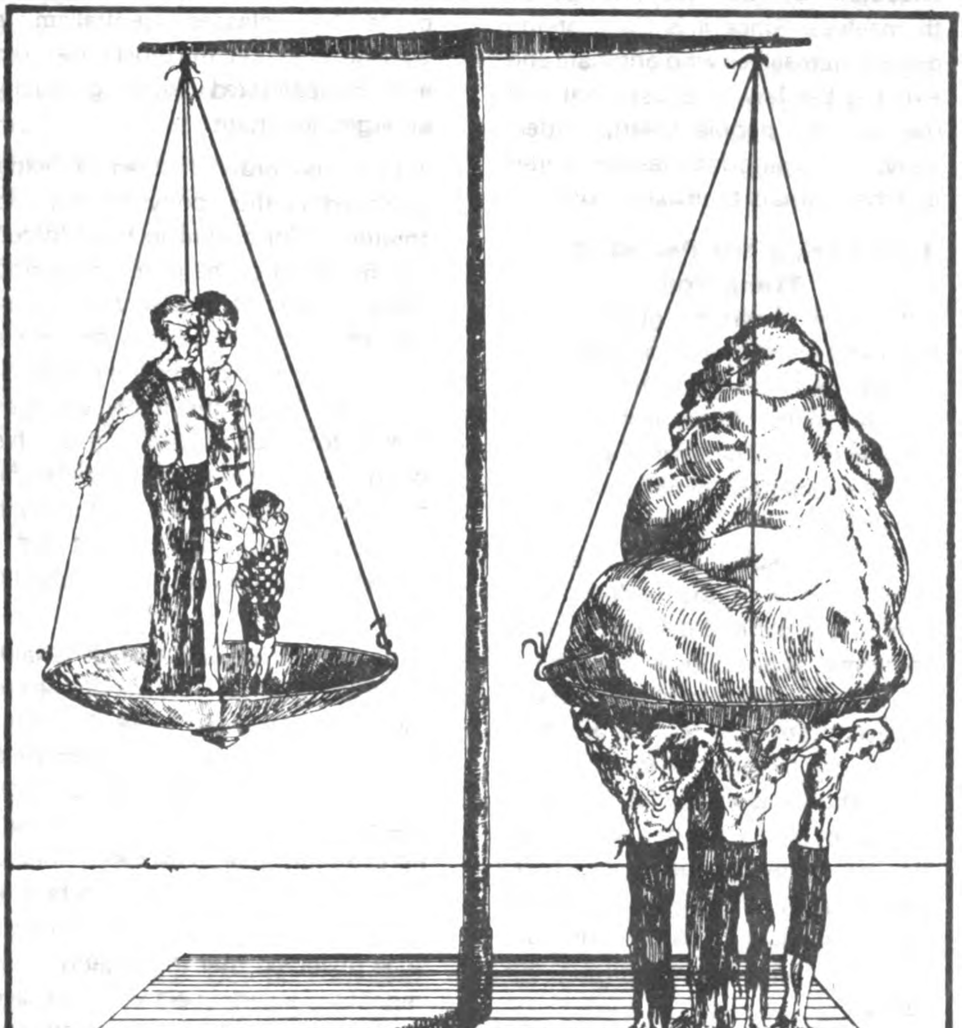
The first of these comprised of spades pickaxes, wagons etc. The second referred to oxen, cows and the like and the third category was made up of the slaves.

Under feudalism again power and authority is in the hands of the feudal class and, as such, law under feudalism serves and protects the interests of the feudal class.[6] Similarly, under capitalism and socialism, law serves and protects the interests of the capi-

Digitized by Google

talist class and the working class respectively.

Law emerges, develops and withers away in the course of the historical development of society. What we can clearly discern from the above analysis is that society is governed by law. Particularly in the slave, feudal and capitalist systems, the masses of the people are fully controlled by the laws imposed by the ruling classes and hence law under these systems is essentially directly connected with private ownership of property and is a profession that brings quite a lot of income. Thus, it becomes a source of misery and a burden for the masses of the people.



The myth of equality in a class society-capitalism.

Digitized by Google

On the contrary, class dominance, power and authority under socialism are in the hands of the masses of the working people. Hence, the class content of law under socialism is essentially popular. Thus the political and power relations in the society are fixed, disseminated, respected and executed by the working people themselves. Since it is the working people themselves who originate and execute the law, it is essential that the working people clearly understand the legal principles and codes and the means of their execution.

Law During the Period of Transition

A social revolution guided along Marxist-Leninist principles has varying aspects of struggle. These aspects of struggle, in the boradest sense, are divided into the general dual categories of endeavours of destruction and construction.

The first aspect of struggle concerns itself with the endeavour to abolish the old and decadent social, economic and political relations of the former system while the second aspect of struggle is a constructive endeavour aimed at laying down the foundations necessary for the transition to socialism. The period of transition in general is a period of complex and arduous struggle during which the endeavours of construction and destruction are carried out simultaneously.

Thus, the systems of law and administration during the transition period cannot be considered apart from the characteristics common to other tasks and systems of the transition period.

In general, during the phase of demolition, activities tend to be rather spontaneous. In the heat of overzealousness and enthusiasm for change, centralism tends to be overlooked Since power is not yet fully consolidated in the hands of anyone of the contending classes, centralism is transgressed. Yet, the most organized and consolidated force gradually emerges dominant.

Law and order, instead of being practised in their conventional and traditional form, start to be enforced by the barrel of the gun. The period becomes one of intense revolt during which a life and death struggle is carried out until one of the contending class forces inevitably emerges the victor. Hence, law, during this period, is interpreted variously by the two conflicting classes. And as such it loses the form and content that it had possessed in pre-revolution times.

Law is power and power is law. Thus, power, as law, is a means through which authority is transgressed or ensured and maintained. As such, justice is based not upon specific principles of law and administration but upon class instinct.[7]

In the Soviet Union, particularly in the initial years of the Revolution, it was observed that the legality or illegality of a certain act was assessed not in terms of whether it trangressed or conformed with the written codes but rather on the basis of whether it was against or in line with the poli-

Digitized by Google

cies of the party leading the revolution.[9] Such polices may or may not be in the official written codes. And the gravity of an offence and the punishment thereof were assessed not in terms of the grossness of triviality of the offence, but in terms of their impact upon the successful and victorious accomplishment of the revolution.

During this period, the issue of most prominent significance is that of survival or extinction, of victory or defeat and in general of ensuring the supremacy of the interests of the working class. Hence, justice is not carried out along sober lines. Since the period is one of intense revolutionary activities law is not meticulously formulated over a long period and enacted carefully. This is so because the position of the law makers themselves during such a period is precarious.

Laws and directives are changeable according to the times and tactics of the given period and prevailing situation. Thus, right from the very first days of the revolution, laws develop by stages from making resort to the use of force to proclaiming states of emergency to promulgations of decrees by pertinent law making bodies.

For instance, law in the Soviet Union from the October Socialist Revolution of 1917 to the period of war communism in 1921 manifested the following stages of development:

> Several of the earliest decrees of the Bolshevik Government were of a purely declaratory nature. Even those creating judicial institutions were cast in a general, permissive form.
>
> The Revolutionary Tribunals which, with the Cheka, were effectively the dominant organ for the administration of justice were declared to be free from any limitations save in those cases where a minimum punishment had been stipulated.
>
> Until November 1918, any citizen could act as a prosecutor and upto March, 1918, as defence counsel. The message of the Leading Principles of Criminal Law, worked out in 1919 by the People's Commisariat, was that "In the interests of economising forces and coordinating and centralising unco-ordinated action, the proletariat ought to work out rules for curbing its class enemies and to learn to dominate them."
>
> And first of all this ought to relate to criminal law, which has as its task the struggle against the violators of the new conditions of community life that are taking shape in the period of the dictatorship of the proletariat.[10]

Such laws mostly facilitate the task of demolition, strengthen the struggle of the proletariat and ensure the triumph of the Revolution.

Even after the task of demolishing the old order has been largely accomplished in the course of a socialist revolution, it is still highly essential to be able to withstand the coun-

Digitized by Google

ter-revolutionary deeds of reactionaries. And unless this is effectively and speedily carried out in accordance with the dictates of the prevailing conditions, the reactionaries, who are still financially strong and have viable means of communication, may succeed in strangling the socialist revolution. Thus, in order to eliminate this possiblity, it is essential to use the very means of control (law) which the remnants of the reactionary ruling classes are used to.

In any revolution, law changes from a means of enforcement and assumes a more profound and consolidated form only after the task of demolition has more or less been fully accomplished. Then, law becomes closely linked with the endeavour for economic construction and for safe guarding the achievements of the revolution. For instance, law in the Soviet Union assumed its proper and conventional meaning catering for development in the period between 1921 and 1928. As is well known this was the period during which the New Economic Policy was practically implemented. During this period significant tasks were accomplished in the field of law and the following codes and decrees were promulgated.[11]

1922-23

- New Judiciary Act
- Civil Code
- Criminal Code
- Code of Criminal Procedure
- Land Code
- Labour Code

1924

- Corrective Labour Code.

1926

- Amended Family Code.
- Amended Criminal Code.

The Laws decreed during the days of the New Economic Policy in general and the Criminal Code in particular were worked out to ensure welfare and justice in the new society.

Certain circles considered the developments in Soviet law in 1921-28 as an ideological retreat. Yet, the truth remains that Soviet law developed not only in form but also in its essential content. It should be remembered that when a revolution attains stability law and not violence serves far better to bring about and maintain the dictatorship of the proletariat and create the necessary preconditions for the transition to communism.

Law in the New Society

As has been pointed out earlier, law and justice are not absolute. In the course of development, man has at the different stages discarded old laws and introduced new ones. In general, laws are a manifestation of the collective behaviour of the people of a society at a given stage of development which are conventionally considered as behavioural criteria and which gradually assume the form of rights and obligations. The members of the given society also use them as a means for ensuring respect to their rights and fulfilling their obligations. The state also becomes an apparatus for executing these laws.

Digitized by Google

In societies which have attained higher stages of development, law assumes wider significance and application. It embraces the relations of production, distribution and exchange, and in general property retions. It determines the relationships between the various sectors of the society in the process of production and distribution along with administrative procedures and constitutional systems. It also embraces the legal rights of citizens. In addition, it provides for regulations that make it possible to withstand plots that might adversely affect the system of social relations under the existing government. According to the Marxist point of view the above-listed functions of law pertain only to its form. As pointed out earlier, the essential characteristic of law originates from the social and economic system that prevails in society at a given time. Thus neither the origins and essential characteristics nor the development of law can be considered apart from the socio-economic and political life of society.[12] According to the Marxist point of view, law has the following fundamental characteristics:-

1. First of all, law cannot be considered in isolation from the political, economic and social conditions prevalent in the given society.
2. Unlike what idealist scholars of law maintain, law does not originate from divine principles or various other *a priori* ideas but from the existing objective and material conditions of the period.
3. The origin and development of law is connected with class contradictions, with the necessity of enforcing one class interest over the other.
4. The origin of the state as well as of law is one and the same. They did not descend from the heavens. The state and law sprout from the same socio-economic processes, namely, the emergence of the division of labour and private ownership or property and the consequent division of society into antagonistic classes.
5. Law and ideology manifest close interrelations. Being man-made, law is an instrument reflecting a specific ideology of the class that is in power at a given time. On the other hand, law plays a significant role in shaping the consciousness of society and of the individual and hence it is an instrument which strengthens and consolidates an ideology.
6. In socialist society, the Party plays a decisive role in the development of law.
7. Finally, since law is a class phenomenon it will cease to exist when classes are abolished and when the state withers away.

The above characteristics of law mark a fundamental distinction between the views held by bourgeois and Marxist scholars of law.

The new generation and hence the new society need a new law. In order to see what law looks like in the new society, it is first of all essential to

Digitized by Google

know what type of society the new society is.

What is referred to as the new society is, of course, socialist society. Socialism has material basis. Thus law under socialism has material basis and hence requires for a new materialist outlook. That is why it was pointed out earlier that law in Ethiopia today has assumed far greater profundity of meaning and content.

As a result of the revolutionary transfromations carried out in the socialist countries, significant changes have taken place in the sphere of law. In our country, too, the Revolution has led to the formulation and execution of laws that protect the interests of the working people, maintain the achievements and victories of the working people and help to intensify the endeavour for social progress and socialist construction. Yet, this is only the beginning in the endeavour to change the old laws and there is still much that remains to be done in this regard. And in order to be able to identify and accomplish the tasks that come under this sphere, it is essential that we fully understand the objectives of socialist law.

> *The major function of socialist law is to provide a frame-work for the management and planning of the economy and other areas of national life, for the organization and management of affairs in enterprises and administrative departments and for labour relations. The object in mind is to ensure that the people use their common property to the best advantage, that the principle of reward according to merit is fully applied in practice and that the unity between economic and social policies is guaranteed. Socialsit law encourages citizens to participate in public and economic affairs, in education and cultural development on the broadest possible scale.*[13]

In socialist society law does not exist for its own sake. It gains acceptance in accordance with the role it plays and the need for it. In socialist society, the existence of law is determined by the prevailing social conditions among which the economic system assumes the greatest significance.[14]

The economic system in socialist society is characterized by two major factors. These are the public ownership of the means of production and the functioning of the system under a single central plan. Law has, under these circumstances, to provide for the systematic guidance of activities ranging from determining the forms of property ownership to introducing central planning, from providing detailed programmes of action to their practical implementation, from the production and distribution of goods to the allocation of manpower and to the creation of a suitable administrative apparatus embracing all these. And the necessity for the existence of law primarily manifests itself through all these.

Law again becomes necessary to lay down the rules and regulations governing those bodies which work in collaboration to bring about the prevalence of a socialist economic sys-

Digitized by Google

tem, namely, the Party, the State and mass organizations and also to determine the democratic rights and obligations of citizens. It is again essential to have timely guidelines based on scientific ideology in order to grasp the essence of socialist culture, assess and develop it. This guideline again assumes the form of law.

In socialist society, the existence of law is determined primarily by its nenecessity. Yet, another related factor that has to be considered is the need for ensuring that law is based on socialist principles.

The need for a system of justice that is new in its form, content, objectives and practical implementation during a socialist revolution is only too evident. But since this cannot be practically attained in the initial stages of the revolutionary struggle, some of the old laws continue to be used. Yet, these old laws, having originated under different circumstances and having different objectives sooner or later become incompatible with the interest of the new socialist system. This again poses an obstacle for socialist revolution and its devevelopment. Thus, it becomes essential to find out whether the newly decreed laws or the laws which have been inherited from the past by the dictates of the objective conditions are in conformity with socialist principles or run counter to them. This is a problem which manifested itself in the Soviet Union right from the beginning of the very first days of the 1917 October Revolution.[15] Another factor that is given great attention to alongside the need for law is the endeavour to ensure the inviolable adherence to and respect of the law by all governmental institutions, mass organizations and citizens. Though this endeavour originates from the principle of socialist legality, it is by no means the only characteristic of socialist legality as bourgeois scholars of law claim.

Socialist Legality

Socialist legality is a system of state administration of society and a major instrument enhancing the development of socialist relations in a society.[16]

First and foremost, socialist legality requires for the existence of "law" based on scientific outlook and governing the social and governmental system, the rights, freedom and interests of citizens and social progress. Such a law should fulfill at least the following criteria:-

1. It must originate from a constitution based on the democratic rights and social needs of the masses.
2. In all its aspects, it should be based on theories that clear the path for the construction of socialism and ultimately of communism and create suitable conditions for the dissemination and expansion of the ideology of scientific communism.
3. It should enhance the abolition of the exploitation of man by man and of class conflicts.
4. It should not be merely one which fixes the moral obligations

Digitized by Google

of the individual but one which lays down general guidelines on the basis of lasting principles.

5. It should be a means for protecting the social, economic, political and other similar rights of citizens. It is said that law is a guarantee for social, economic and political rights and freedoms. This guarantee should ensure the unity between material conditions and the law. In other words in order to guarantee these rights and freedoms, the law has to provide for the existence of the necessary material preconditions.
6. It should contribute to the consolidation of the world socialist system.[17]

In general, though this law must fulfill the above criteria, its most prominent yardstick rests in its democratic nature. This, in turn, leads to the essential question of who formulated it.

True democratic legality demands for the establishment of the law-making body through democratic means and ensure that, after its establishment, it expresses the needs and interests of the masses and works for the progressive development of soceity. In brief, this indicates the need for the introduction of a socialist legal system and as such is an issue directly connected with socialist legality.

A given law derives its essence as a law not rom the fact that it is officially decreed but rather from the fact that it gains acceptance and is practically implemented; and if it is not practically implemented from the fact that it gains coercive value and is respected. And this practical implementation requires a systematic procedure. Still socialist legality demands that the law-making and executive bodies are established by election if democratic legality is expected to exist.[18]

In brief, socialist legality requires the existence of a law-making body established on the basis of socialist democracy, a law based on the interests and needs of socialist society and an executive body elected on the basis of the principles of socialist democracy. This is where the relationship between democracy and legality becomes palpably manifest.When the fundamental principles of socialist legality observed earlier have been fully established in the law of a given society, it can be said that there exists socialist legality in that society. The existence of isolated elements from among the fundamental principles of socialist legality can by no means indicate the prevalence of socialist legality in a given society. For instance, the transgression of law that is not formulated on the basis of socialist principles cannot be considered as transgression of socialist legality.

Moreover, socialist legality can be fully practicable only when the essential economic and political preconditions have been fulfilled. And this requires overcoming complex and arduous poblems, a profound understanding of the concept of socialist legality and intensive endeavour by the state to bring about the prevalence of socialist legality. But,

Digitized by Google

above all, this requies for the correct leadership and concerted endeavour by a Marxist-Leninist Party.

Party and Law

It is the party which provides leadership, lays down the direction of development and political system in a socialist country. The party sets the direction for the overall development of the society, formulates the political line which the society follows internally and externally, provides leadership in all prominent undertakings along scientific lines that lead to the construction of communism. It is also the party which coordinates the activities of government bodies and mass organizations in the lofty objective of socialist construction.

The primary objective of a Marxist-Leninist Party is to struggle for the seizure of power by the working people and work towards the attaintment of this objective by enabling the masses to participate actively in the administration of state and social affairs. In other words, this implies the prevalence of the democratic rights of the working people and hence the party is the highest body which in all ways strives for the fulfillment of these objectives. And, as has already been mentioned, law and legality which can truly ensure and protect the interests of the masses can exist only in a society in which power is in the hands of the masses of the working people. This can happen only in socialist society in which the Marxist-Leninist Party ensures that law and legality are in conformity with its policy and provides the necessary leadership thereof.[19]

This does not, however, mean that the party itself is a law-making body. Neither does the party replace the law-making body and work in its stead. Nevertheless, it is the party, as mentioned earlier, which gives directives on the form of the legal system to be introduced in the society and on how it should be executed.

Above and beyond ensuring that the laws that have been decreed are in conformity with its policies, the party also ascertains that they are respected. In a socialist society laws are not made to be respected by the use of coercion or the threat of punishement but because of their conscious and voluntary acceptance by the people. And this can be brought about through the earnest and conistent dissemination of the marxist Leninist ideology by the party.[20]

On the other hand in a socialist society, democratic rights and freedoms are not instruments devised for the protection of individuals in isolation from the society. Rather, they are rights and freedoms which create the ncessary preconditions for greater participation by the individual in the affairs of the society and the state. In a socialist society, human rights are primarily rights to getting a job, free medical care and education and a decent living in general. As such they are the essential basis and guarantee of all other rights.[21] In the new society the individual's fundamental rights are participation in every as-

Digitized by Google

pect of the affairs of the state and the endeavour to harmonize individual interests with those of the society.

This does not, however, mean that civil rights and freedoms of the individual do not exist in a socialist society; it simply means that these rights and freedoms by no means isolate individual rights and freedoms from those of the society at large.

In socialist society the power wielded by the masses embraces those powers concerned with the administration of law and justice as well. As we have observed earlier in connection with the concept of socialist legality, the law-making bodies in socialist society are representatives of the masses and hence it follows that the laws devised by these bodies are in conformity with the interests of the society. Consequently, law in a socialist society is made by the people and for the people.

The Withering Away of Law

So far we have attempted to make a brief examination of the origin of law and its process of development. Since law is a class phenomenon, it comes into existence with the emergence of classes and assumes various forms and intents under different class societies.

Like most other phenomena, law attains a higher stage of development under socialism. And this happens with the prevalence of socialist legality. Socialist legality, again, can gain prevalence only if the necessary economic and political pre-conditions exist.

The major endeavour in socialist society is geared towards the establishment of communism. And this endeavour is essentially an endeavour to bring about economic, political and social development. Thus each and every stage of development attained in these various spheres marks a new stage of development in law as well.

Under socialism economic development leads to greater social development. In communist society, the ruling principle becomes, "From each according to his ability, to each according to his needs." [22] At this stage i.e at the highest stage of the development of socialism, Socialist Democracy as a political phenomenon reaches a stage at which it withers away and "... people will gradually *become accustomed* to observing the elementary rules of social intercourse that have been known for thousands of years in all copy book maxims. They will become accustomed to observing them without force, without coercion, without subordination, *without the special apparatus* for coercion called the state." [23] And at this stage of development, law, like the state and democracy will wither away.

NOTES

1. *The Fundamentals of Marxist-Leninist Philosophy*, (Moscow: Progress publishers, 1974); p. 128.

2. Karl Marx and Frederick Engels, *Selected Works*, (Moscow: Progress Publishers, 1978), p. 35.

Digitized by Google

3. Robert Conquest, *Justice and the Legal System in the USSR*, (London, 1968), p.13
4. *Ibid.*
5. *The Fundamentals of Marxist Leninist Philosophy*, p. 360.
6. *A short History of the Communist Party of the Soviet Union*, (Moscow: Progress Publishers, 1974), p. 15.
7. Conquest, p. 7.
8. *Ibid.*
9. *Ibid.*, p. 14.
10. *Ibid.*
11. *Ibid.*, p. 15.
12. The Soviet State and *Law*, Progress Publishers, (Moscow 1969), p. 186.
13. Tord Reimann, *Law and Justice in a Socialist Society*, (Berlin: 1976), p. 9.
14. *The Soviet State and Law, Ibid.*, p. 189.
15. V. Trebelov, *The Soviet Court*, (Moscow: Progress Publishers, 1978), p. 34.
16. *The Soviet State and Law*, p. 266.
17. A.K. Makhnenko, *The State Law of the Socialist Countries*, (Moscow: Progress lishers, 1978), p. 15.
18. Trebelov, pp. 34-35.
19. Conquest, p. 110.
20. *The Soviet State and law*, p. 206.
21. G. Burdeau, *Traite de Science Politique*, Vol. VII, (Paris: 1957), p. 493.
22. V.I. Lenin, *On Soviet Socialist Democracy*, (Moscow: Progress Publishers, 1979), p. 23.
23. V.I. Lenin, *Col. Works*, (Moscow: Progress Publishers, 1974), Vol. 25, p.467.

Digitized by Google

Opportunism under the Guise of Marxism

—(*The unholy alliance between Monthly Review* and an Ethiopian counter-revolutionary émigré).

The countributions made by some Western newspapers, magazines, journals, books and other publications in exposing the anti-people activities of imperialism in Africa, Asia and Latin America cannot be easily over-looked. Such publications have endeavoured to win international support for revolutionary movements. These publications, for instance, have served as a viable instrument to rally the support of committed groups within the imperialist world itself for the Cuban Revolution in the 1960's and for the Vietnamese Revolution in the 1970's. At the same time, they have also played quite significant role in spreading an internationalist political outlook.

Among such publications was the journal known as *Monthly Review: An Independent Socilaist Journal.* The articles and books published by one of its editors, the late Leo Huberman, have aroused the spirits of many progressives. Paul Sweezy, who founded this Journal in collaboration with Leo Huberman, still continues to be its editor with Harry Magdoff, a renowned writer on developed capitalism and contemporary imperialism. Paul Sweezy, too, has been widely known for the last 30 to 40 years to Marxists and non-Marxists alike as one of the progressive economists of our time. The other editors of *Monthly Review* and the authors whose books were published by the *Monthly Review Press* were also among the most prominent left-wing intellectuals in the Western world.

Digitized by Google

This being the case, it is indeed tragic that the once progressive *Monthly Rewiew* has particularly since recent years been deteriorating and has ultimately fallen into utter bankruptcy. One of the evidences of its ideological retrogression is the fact that it has been serving as a platform to anti-Ethiopian forces ever since the inception of the Ethiopian Revolution. Otherwise, how are we to explain its consistent campaign to denigrate the Ethiopian Revolution- a Revolution which is considered to be one of the most radical and most throughgoing in the history of modern Africa?

Another fact marking the deterioration of *Monthly Review,* to a similar degree as the Trotskite weekly published in the United States and known as *The Guardian: A radical Newsweekly,** is its publication in its issue, Vol. 32, No. 3, 1980 of an article by Bereketeab Habte Sellasie, an imperialist lackey and higher official of the defunct Haile Sellassie feudo-bourgeois regime, in an attempt to degrade the Ethiopian Revolution [1]. We shall consider the general stand adopted by *Monthly Review* in this connection later on. First, let us exmine Bereketeab's article "The Dergue's Dilemma: The Legacies of a Feudal Empire."

Posing as a progressive and at times a Marxist, Berketeab in his article has made some desultory remarks on Revolution and revolutionary process. Nevertheless, it can be observed right from the beginning of his article that his views do not transcend the narrow limits of bourgeois social science for he states that a revolution takes place when there is "management crisis".[2] The theory of "management crisis" is popular in bourgeois social science but in contradiction with the Marxist outlook and theory of historical materialism. According to Bereketeab a revolution does not arise when the contradictions in a society reach a stage where they can no longer be reconciled and the objective preconditons for the revolution have been fulfilled but when the ruling class fails to effectively deal with those crises which jeopardize its interests. According to Bereketeab, the cause of the Revolution which swept Ethiopia in 1974 was the failure of Haile Selassie's government to change its tactics, to take precautionary measures, "the failure to respond.... swiftly and adequately" to the Wollo famine which caused the death of 200,000 people and Haile Selassie's panic while he could still use the "clever manipulation that had characterized his entire rule." Bereketeab sums up his description of the situation in terms of the fact that "His (Haile Selassie's) old reflexes would not work. There was no one left to manipulate, and the nation and the world outside could not be deceived any longer."[3]

* One of the regular contributors to "The Guardian" was Wilfred Burchett, who has for many years been a renowned reporter on national liberation movements. Burchett's relations with "The Guardian", which had for many years served as a major organ of counter-revolutionary forces and Ethiopian émigrés in exile was abruptly put an end to because of Burchett's publication of an article in which he depicted the true images of the Campuchean and Ethiopian Revolutions.

Digitized by Google

Thus, in Bereketeab's views, it is the lack of ingenuity on the part of those in power which leads to radical political changes. This again, by implication, means that so long as the leaders placed in positions of power by a given ruling class are capable and crafty the exploited classes, though subjected to unbearable exploitation, have no capability to reverse the situation eternally. The bourgeoisie whitewashes the capitalist system and does not only depict it as being eternal but also desires to convice others that it is eternal. Hence, it is by no means surprising that the intellectual cohorts of the bourgeoisie attempt to propagate this same view through the use of overt and covert means.

Here, we would have liked to remind Bereketeab of what Engels had said concerning the occurence of revolutions. "The communists know only too well that revolutions are not made deliberately and arbitrarily, but that everywhere and at all times they were the essential outcome of circumstances quite independent of the will and the leadership of particular parties and entire classes."[4] Bereketeab Habte Selassie, in his article, also raises issues other than this. Neverthless, since Bereketab is a counter-revolutionary émigré who has risen with the intent to understand and interpret Marxism according to his own whims and fancies, we feel that it is futile to argue with such as individual on the fundamental doctrine of Marxism. Thus we shall refrain from any further comments on this score. But we would still like to express our views concerning Bereketeab's historical and political analysis of the Horn of Africa.

Even after the publication in *Monthly Review* of the article referred to above, the counter-revolutionary unity between Bereketeab and the staff of *Monthly Review has* continued unabetted. And recently Bereketeab's book entiled *Conflict and Intervention in the Horn of Africa* has been published by the Monthly Review Press in the U.S. In this book, Bereketeab again attempts to pose as a Marxist and a historian of a sort. Here again, we would like to remind turncoat intellectuals like Bereketeab, who have betrayed their country and their people and live in the imperialist metropolises, besmirching their professional qualification by working to enhance the strategic goals of imperialism and living upon the crumbs that their traitorous and deceitful pens earn them, *Karl Marx's warning that people cannot make history just as they please.*

When we return to Bereketeab's book, it presents us with a confused jumble of ideas concerning the national question and Ethiopian history which are completely at variance with Marxism - Leninism and the historical truth. As regards the question of nations and nationalities, we observe that Bereketeab has not even the slightest inkling of the difference between nations and nationalities, multinational states and their national minorities. And as

Digitized by Google

such he considers Eritrea, which is inhabited by some nine nationalities, as a single nation, and the secessionist movement in Eritrea as a national liberation movement. Having initially confused nationalities with nations he pushes his politics of separatism by dressing it up with the principle of self-determination, which in his own phony understanding of Marxism-Leninism, obliges all genuine socialists, under *any* and *all* circumstances to uphold and propagate.

Bereketeab unabashedly claims that his "interest" in writing this book"... is more than academic" and that he personally "feel(s) the pain and suffering of a people caught in the tragedy and devastation of war." [5] Has Bereketeab, by any chance, forgotten that he had for long served this very feudal tyranny which he now condemns in his book as its legal advisor and attorney general. Or is it that he presumes his readers to have such exeedingly poor memory? It is to be remembered that the secessionist movement in Eritrea started during the days of the defunct feudal system and had continued for many years under that system. Whereas the fact that the secessionist movement had started prior to the Revolution is only too clear, what is astonishing is that the war in Eritrea, which had not for one moment pained Bereketeab, who had for many years served the feudal regime and was in fact its major spokesman and loyal servant, during his long service to the feudal regime, suddenly transformed itself into a source of unprecedented pain and suffering for him in the fateful days that succeeded the eruption of the Ethiopian Revolution. As anyone can clearly dicern, what worried Bereketeab was not the "pain and suffering" of the people of Eriterea but the very eruption of a Revolution in Ethiopia and particularly the exposure and subsequent failure of the reactionary plot concocted by Aman Andom, whom he refers to as his "close friend."

Being a swom political swindler, Bereketeab at the time attempted to win acceptance and a high position of authority by taking advantage of the confusion that prevailed in the very first days of the Revolution. He also succeeded in his ambition and became a member of the Inquiry Commission. Assuming that the government that would be set up in Ethiopia after the downfall of the monarchy was going to be a bourgeois reformist government, Bereketeab resolutely rose to quench his thirst for power by manipulating and providing "advice" to Aman Andom, the first chairman of the Dergue. It is presumed that his advice to Aman Andom included a proposal to find peaceful means through which Eritrea could be separated from Ethiopia. In fact Bereketeab, in his book, reveals this to be the fact. Dwelling on Aman Andom's death, Bereketeab states that Aman died at the service of "the Eritrean cause" and further explains that he died while trying to "propose a peaceful" separation of Eritrea, a proposal "that met with virulent opposition

Digitized by Google

between him and the dominant group, led by Mengistu."[6]

When we return to Bereketeab's claim as a "historian of the Horn of Africa" we observe that he arrogantly states in his book that he has "lived and worked in all parts of the Horn" and as such has thorough knowledge of the region so that he introduces his book as "a fresh attempt to study the entire region in its historical context."[7]

Though arrogance is to be expected from a renegade intellectual, Bereketeab's claim to being a historian of renown on the Horn of Africa cannot gain acceptance either on the basis of his own assertion or despite his assertion. We shall here examine what Bereketeab has recorded as the "history" of the Horn of Africa in order to render the point more palpable. First of all, in the part of his book dealing with "Early History", Bereketeab unfolds his version of "Eritrean" history in which Ethiopian history does not figure at all. It is excluded completely. In fact, according to Bereketab's version the "thing" called the Ethiopian people or Ethiopia is merely "an empire-state built in the nineteenth century."[8] As a matter of fact, when reduced to essentials, Bereketeab's theory of national nihilism is built upon the notion that there is really no country called Ethiopia or a people called Ethiopians. Bereketeab does not stop here either. Though it is an irreversible fact of history that the region beyond the Mereb and earlier known as Behre Negash was given the name "Eritrea" by the Italians in 1890, Bereketeab's "Early History" of Eritrea goes as far back as 1,000 B.C.[9] One thing that has to be clear here is that the people of the Northern region of Ethiopia, at present known as "Eritrea", do undeniably have early history but the *name* "Eritrea" does not at all have the early history that Bereketeab bestows it with.

After narrating his admixture of the myth he has created himself with some sprinkling of historical facts under the camouflage of the term "history", Bereketeab reaches the decline of the Axumite Empire or to be precise, the ninth century. Henceforward one myth leads to another myth until the Middle Ages. Then, according to Bereketeab's version of "history", another people called the Amharas (or Abyssinians, as he calls them) appeared from nowhere some time between the twelfth and fourteenth centuries and thereafter became and remained the erstwhile "alien" enemies of the "nation" called Ertirea. Here is Bereketeab's own narration:

> *It was not until the fifteenth century that the Amharas, who came to be known as Abyssinians, were able to establish a tenuous rule over the Eritrean highlands-tenuous because the people, geographically isolated and unaccustomed to outside rule, were fiercely nationalistic and stubbornly resisted Abyssinian attempts to rule them.*[10]

This, then is what calls itself history presented to us by a man who regards himself, and wishes to be regarded by

Digitized by Google

others as anything but ordinary. One is reminded of a saying that although history itself never lies, it has the misfourtune of attracting lying historians.

Now let us return to Bereketeab's claim to being a "Marxist." Bereketeab seems to know something about Marxism-Leninism and Imperialism, and he seems to be convinced that one cannot talk of contemporary national liberation movements and struggles without reference to imperialism. Thus, in his exposition on "Eritrean liberation", which he claims to stand and struggle for, Bereketeab cannot but grope for some imaginary imperialism which throttles and is inimical to the "Eritrean Liberation Movement." And as soon as he exposes the cause of "Eritrean national Liberation", and its place in the history of the Horn, his knowledge of Marxism quickly deserts him.

Bereketeab's understanding of imperialism is so naive that he, in his good grace, lables all Ethiopian governments since the time of Menelik as imperialist governments. If he had not had some flicker of a doubt concerning the impossibility of defying the Marxist - Leninist truth that imperialism is a phenomenon that emerged after the 1870's (for he has earlier stated that Ethiopia started its endeavour to colonize Eritrea in the fifteenth century) it will not be far from the truth to assume that he would have called all the governments in Ethiopia since the fifteenth century imperialist governments. Bereketeab does not stop here. Since he has, in his "renowned" book, mentioned or rather exposed some theory regarding Ethiopian Imperialism, it seemed logical for him to say something about "Ethiopian Colonialism" as well. And say he did. But in Bereketeab's logic what is standing upright is the form and not the content, because there is an inherent contradication in his nebulous theory of "Ethiopian Colonialism". In this "theory" of his, Bereketeab has created a fiction of Eritrean statehood which logically requires the denial of the reality of the existence of Ethiopian nationhood. And a traitor to his motherland as he is, he did this without feeling the slightest pain. But herein lies the contradiction. For it will turn out that this denial of the Ethiopian nationhood cannot be sustained for long without giving up the idea of Ethiopian Colonialism. And this is what comes to pass in Bereketeab's book. Divested of all content and substance, the same Ethiopia and Ethiopians are nevertheless resurrected and made to reappear as a colonizing nation or people, reinvested with all the qualities and attributes of say Portugese, British or French Colonialism. He continues unperturbed and attempts to draw a parallel between what he claims to be Ethiopian Colonialism with that of Portugese colonialism. He then concludes that the Portugese pushed their revolution along the road of "deep revolutionary movement because they freed their colonies", wereas, "unfortunately, the Ethiopian revolution has been progressing in

Digitized by Google

the opposite direction"[11] as a result of Ethiopia's refusal to free its colonies. In exactly what direction poor Ethiopia would have gone if his advice were not lost, Bereketeab did not elaborate. Had the Portugese revolution actually deepened and intensified as Bereketeab claims, it would actually have been an encouragegement to all revolutionaries not only in Ethiopia but elsewhere in the world. Neverthless, this being a wholly different matter, we will not dwell on it any further here. But, what Bereketeab insinuates as regards Ethiopia is that there cannot be a revolution in Ethiopia so long as Eritrea is not separted from Ethiopia. Bereketeab's betrayal does not stop here either. Standing as Siad Barre's advocate, he firmly spoorts the frantic endeavours of the Siad Barre regime to annex the Ethiopian territory of the Ogaden. Leaving aside the "scientific socialism" which Bereketeab claims to exist in Somalia, let us examine what he has to say of the recent war in the Ogaden. Bereketeab shamlessly writes that though Siad Barre's government has been defeated in the Ogaden and in spite of the consequent "frustration of Somali national aspiration,"[12] Siad Barre and Co. will again be "forced to take up arms"[13] in order to restore Somali national dignity.

Much can be said here concerning the fact that what Bereketeab has allegedly written as "history" is unhistorical, replete with outright lies and betrayal. As we have attempted to point out in brief, Bereketeab's book, rather than being "a fresh attempt to study the entire region" by an individual who claims to be a historian of mertit and integrity on the Horn of Africa, is in no way different from the weired fairy tales woven by the imperialist hireling secessionists and other traitors without the trouble of doing any "scholary" researches but are simply propelled by the inspiration they derive from their secessionist and mercenary convictions. In brief, Bereketeab Habte Sellassie is a traitorous intellectual who has been thrown by his arrogant claim to being a Progressive into a deep pit out of which he cannot ever climb. Indeed, what was the mysterious background that has given Bereketeab the stamina to openly claim himself as a "Progressive sive?" There is a traditional Ethiopian saying which is indeed pertinent here. "The hyena goes to a land where none know him and requests for a leather mat to sleep on." As though Bereketeab, in his position as an Attorney General prior to the Revolution, had not served Haile Selassie's feudo-bourgeois regime in its atrocious incriminations, arrests beatings and killings of the Ethiopian people, the people of Eritrea and the Ogaden included, now, after having settled in America, suddently shifts position in mid-air and claims to have struggled for thirty years for the cause of "Eritrean liberation" and the "liberation" of all other nationalities. This is indeed astonisheing if not astouding.

One can assume that Bereketeab might have turned progressive after

Digitized by Google

the Revolution. But even after the Revolution, he has accomplished nothing that can mark him off as progressive. In fact, we are here forced to quote what an Ethiopian scholar, who worked with Bereketeab on the Inquiry Commission which was established in the early days of the Revolution, had said of Bereketeab;

> *Many know what a patriotic Ethiopian Breketeab was, that he was an eminent official of the Ethiopian Government and that he rushed back from America claiming to be answering the "Call of the Motherland" and that he was elected as a member of the Inquiry Commission. Yet, many do not know of the fact that he pressed the Ethiopian Government to give him a salary of more than four thousand Birr, an amount that does not figure on the salary scale of the Ethiopian Government, of which about 2,600 Birr had to be in foreign currency on the pretext that he had come in answer to the "Call of the Motherland" leaving behind his sick child and that he needed money for his child's treatement. When we compare Bereketeab's complete and venomous hatred towards Ethiopia today with the love he yesterday professed to have for the country, when we observe his present endeavour to work for the dismemberment of Ethiopia, what stands out prominently is how deep he has fallen in the abyss of moral degeneration.*[14]

Later on, as Bereketeab himself states in his book, he advised Aman Andom, to whom he was a "close friend and advisor" and whom he flatterningly referes to as a strategist of the Revolution, to set up a bourgeois reformist government is Ethiopia in which Bereketeab would be given an eminent position or else that Eritrea should secede from Ethiopia. The Ethiopian Revolution forged ahead, and no bourgeois reformist government was established as Bereketeab has expected. Aman Andom's counter-revolutionary and subersive plot was uncovered. Thus, cognizant of the fact that his ambition to secure power was shattered, Bereketeab fled to the United Stagtes. This, in brief, is the history and pre-history of Bereketeab's "Progressiveness." Thus, it is in no way surprising, if, Bereketeab, as an individual whose counter-revolutioneryambitions were fustrated, were to equate national nihilism with national liberation, and assume for himself the position of the great liberator.

Bereketeab is an individual witout any conviction and principle, but an egoistic and sworn opportunist driven above all by his own personal interests and gains. There is no doubt that he still publishes his anti- Ethiopian ravings following the example of other counter-revolutionary émigrés (like Solzenhstyn etc...) with the view of receiving a lot of money from the sale of his books. In short, frustrated ambition and selfish interest combined have led Bereketeab

Digitized by Google

to be pathologically anti-Ethiopian and thoroughly counter-revolutionary.

The degree of utter degradation to which traitors and mercenaries can fall has time and again been testfied by the Ethiopian Revolution. Bereketeab, too, falls into the same canvas and cannot be considered otherwise.

Though we would here like to conclude our remarks concerning Bereketeab's history of betrayal, the publication of the counter-revolutionary writings of Bereketeab and his likes in *Monthly Review* and the publication and circulation of their books by the Monthly Review Press demands that we raise a fundamental question and find the answer to it.

What is the implication of the publication of the writings of Bereketeab and his likes in *Monthly Review*, a journal which claims to be "free" and "socialist"? Is it probably that *Monthly Review*, being a "free" journal, publishes writings whose political convictions run counter to the political convictions and outlooks of its own editors? Or is it that there exists a similarity in outlook between its editors and those of its contributors? It is indeed imperative to find the answers to these questions.

It is a well known fact that international imperialism manipulates a variety of tactics in its struggle against socialism and national liberation movements. This struggle assumes various forms ranging from propaganda campaingns and ideological struggle to direct armed confrontations. Among the various means through which capitalists propagate their class interests in the sphere of the ideological struggle in capitalist societies, the mass media like radio, television, the cinema, theatres etc., newspapers and magazines have indeed a prominent place. It is not to be forgotten, for instance, that both in the United States and in Western Europe, at the height of the Cold War in the 1950's, during which the imperialist world was engaged in an open ideological, economic and psychological warfare against the world socialist system, newspapers and journals which professed to be "free" and "progressive", either wittingly or unwittingly, actually served as mouth pieces of imperialism. By presenting the problems in the socialist countries, which were actually the outcome of the deliberate pressures of the imperialist world, as being shortcomings of socialism, by magnifying upon some minor problems which were inevitable in the course of transition and were actually being solved by stages, by denigrating and covering up the practical achievements of socialism in achieving a faster rate of economic development, and by propagating about "human rights", "democracy" and "freedom" in isolation from their class content, some "free" and "progressive" newspapers and journals of the Western World collaborated directly and indirectly with the imperialist world in its anti-revolutionary struggles. This is a glaring and inviolable fact of history.

Digitized by Google

At the present epoch in which we find ourselves, the ideological and political struggle between the imperialist and the socialist worlds has become ever more intensified. In fact, the ever growing strength of national liberation movements and the increasing number of countries which follow the socialist path of development, particularly in the late 1970's has made the relationship that had existed between the two world systems from the 1960's to the late 1970's, on the basis of detente and peaceful coexistence, highly precarious.

It is to be remembered that in the 1960's, when the US was waging its vile war of aggression in Vietnam, newspapers and journals, which claimed to be "Marxist" and "Progressive", pledged to "struggle against US imperialism" and protested against the war in Vietnam, had mushroomed in the Western world and particularly in the U.S.

This was a period of detente during which the tension between the two opposing world systems had relatively relaxed. Hence it was not possible under the circumstances to come up with a valid assessment of whether the "Marxist" and "progressive" newspapers and journals which mushroomed at the time were indeed Marxist and progressive. At the time, particularly in the United States, protesting against the war in Vietnam and coming up with left-wing criticism of the war-mongering nature of U.S. imperialism and monopoly capitalism was on its own not only considered, but also accepted as a criterion that marks off any left-wing critic as Marxist.

Nevertheless, from the point of view of Marxism, a "left wing" critic cannot be considered as Marxist simply because he comes up with isolated criticisms of certain aspects of imperialism. The theory of Marxism is a component whole. It is not merely limited to a criticism of capitalism but also comprises of the practical struggle for the construction of socialism and ultimately communism, of being acquainted with and supporting the socialist community which at present has attained a high level of development in this direction. In addition, harmonizing theory and practice is indeed indispensable if one is to win the name of a Marxist. Theoretically supporting uptopian socialism which is divorced from practice while practically giving even the slightest support to imperialism is not only a sign of naivety but outright collaboration with imperialism. Accepting some Marxist concepts and ideas snatched out of their context while rejecting others or replacing them by bourgeois concepts and ideas is, as Lenin taught, a distinctive characteristic of opportunism.

One thing that has to be clear here is the fact that, in its mounting ideological struggle against the forces of liberation, democracy, peace and socialism, international imperialism manipulates various tactics. Whereas it manipulates the mass media and the books, newspapers and journals published by those writers, who, as its

Digitized by Google

mouth-pieces, openly glorify the capitalist system in its anti-communist propaganda campaign, it manipulates the anti-socialist struggle waged by the pseudo- marxist, "New Left" intellectuals of the Western world (Sweezy, Bettelheim and Co.) to attain its subtle and covert tactical goals. That the pseudo-revolutionary postures, the flirting with sterile leftism and the negation of everything existing, characteristic of the phenomenon of new leftism (or more precisely new infantilism) is at present actually giving an indirect support to imperialism is only too evident.

Sweezy and Co., the renowned intellectuals of the "New Left" in the Western World, have levelled their "Marxist" critique not merely against certain countries which follow the socialist path of development or even the countries of the world socialist community. In their desire to fully establish their "Marxist" critique, they are actually making repeated calls for a revision of the Marxist - Leninist theory itself.

For instance, in his article, *A Crisis in Marxian Theory*, published in *Monthly Review* (June, 1979), Paul Sweezy says, "The part of Marxism that needs to be put on a new basis (i.e. abandoned) is that which deals with post-revolutionary societies (with which, of course, Marx and Engels had no experience.)"[15] Sweezy does not stop here. Arising from his so-called crisis in Marxian Theory, he goes on to say that "abandoning Marxism"[16] could be taken as an alternative, had it not been for the fact that Marxism is a better theory for "understanding the development of global capitalism and its crises."[17] For Sweezy Marxism could really be gotten rid of had it not been for its efficiency in describing capitalism (for all other aspects of Marxism are unacceptable to Sweezy).

According to Sweezy the theory of Marxism is acceptable in so far as it is a critique of capitalism, but that its other aspect, the aspect in Marxism that deals with the notion of the dictatorship of the proletariat, with the question of building the new socialist society, with the question of the transition to socialism should be "abandoned." Probably, what Sweezy means here is that it is not acceptable to himself and his likes for the glaring turth is that Marxism, wholly and not in bits and pieces, is acceptable to and has actually been accepted in one - third of the globe by hundreds of millions of people in the socialist community, by a significant number of oppressed peoples who are being exploited by capital in other parts of the world, by millions of the oppressed peoples of the developing countries who are engaged in the anti-imperialist struggle.

Sweezy does not admit that there is living socialism in the present-day world. Because present-day socialist countries are not, according to him, "... a classless society, a stateless society and a society of geniune and not merely formal legal equality among nationalities, races, sexes and individuals."[18] Well, except for being

Digitized by Google

an overt sign of class betrayal and revisionism, the adoption of such a stand by a person like Sweezy, who has for long claimed to be a Marxist is indeed unpalatable.

Marx, Engels later Lenin have explicitly maintained that both classes and the state continue to exist under socialism, which is the first stage of communism. Marxists do not easily overlook what Lenin has said with regard to the withering away of classes:,

> *Marx and Engles used to ridicule the idea that classes could disappear before communism, and said that communism alone meant the abolition of classes.*[19]

And with regard to the withering away of the state, Lenin had also said,

> *The economic basis for the complete withering away of the state is such a high stage of development of communism that the anti-thesis between physical and mental labour disappears, when there, consequently, disappears the principal sources of modern social inequality - a source, moreover, which cannot on any account be removed immediately by the mere conversion of the means of production into public property, by mere expropriation of the capitalists...*
>
> *That is why we are entitled so speak only of the inevitable withering away of the state, emphasizing the protracted nature of this process and its dependence upon the rapidity of development of the higher phase of Communism.*[20]

Since present-day socialist countries have not declared that they have attained communism and are still in the stage of developed socialism, in which both classes and the state cannot be done away with, how can one come up with an argument, that is outside the realm either of logic or of commonsense, that they have not constructed socialism on the basis that they have not done away with classes and the state.

Another reason that has compelled Sweezy and Co. to deny the existence of living socialism at present is their mistaken view that there is only formal or legal but not genuine equality in the socialist countries. In the first place, unless the notion of equality as held by the "New Left" of the Western World is related to the bourgeois notion of equality, it is indeed difficult to assume that, "Marxists" as they are, they have forgotten, that equality, for genuine Marxists, is primarily concerned with the relationship between people and the means of production. Moreover, equality, as Marxists understand it, and as it is practically observed in the socialist countries means, the organization of the working people and their active participation in the political, economic and social affairs of society. To talk of equality and democracy outside of these indicates nothing but servility to bourgeois ideology.

On the other hand, though private ownership of the means of production is non-existent under socialism

Digitized by Google

and as such the property relations between people are based on equality, still the allocation of wages at this stage is based on the principle, "From each according to his ability, to each according to his work." And since there exist differences in ability among individuals, it is impossible to say that everyone is equally paid. In fact, it is even practically impossible. In other words, there inevitably exists difference of income under socialism. Though the equality among people at this stage is indeed greater than the nominal equality that is said to exist under the capitalist system, it is by no means comparable to the equality that would exist under communism. Marx and Engels have explained this point in greater detail in their famous work, *Critique of the Gotha Programme.* Elaborating on the same issue, Lenin, too, later wrote,

> *Only in communist society (when) the state... ceases to exist... it becomes possible to speak of freedom. Only then will really complete democracy, democracy without any exceptions be possible and be realised.*[21]

Hence it is only too clear that the denial by Sweezy and Co. of the existence of living socialism on the ground that the equality that exists in present - day socialist countries is not like the equality that is to be attained under communism does not emanate from lack of knowledge of the theory of Marxism but is, in actual fact, a deliberate attempt to revise, disort and delute it. Such revisionism, again, means forming class alliance with capitalist, vilifying the socialist countries by using all sorts of trivialities and participating in the ideological struggle waged against the socialist countries by international imperialism.

Paul Sweezy and Co., having adopted such a stand against the socialist countries, have reached a point of no - return in their anti - Marxist convictions. Sweezy, in particular, has improvised a new type of socio-economic system, that does not exist in the Marxist theory of historical materialism formulated by Marx and Engels. This is the socio-economic system which he designates as "neither capitalist nor socialist." Sweezy maintains that present - day socialist countries are "a new form of society, neither capitalist nor socialist." Is this notion of "a new form of society" probably Sweezy's new "contribution" to Marxist theory? A contribution indeed it is, but not to Marxism - Leninism. Rather it is a contribution towards the revision and dilution of Marxism and consequently a contribution the anti-Marxist theory of the "New Left" of the Western World, which is exerting every possible endeavour to create a class alliance with the bourgeoisie.

The ideological content of the "Marxism" of the "New Left" which since the 1970's has spread widely among the intellectuals of the Western World, though different in form, is essentially similar in content to the reactionary bourgeois theory disseminated by those who openly defend the interests of world imperialism like Kissinger, Breznski etc...

Digitized by Google

Though they may manifest differences in approach, the alpha and omega of their theory still remains to be anti-Sovietism. And the root of anti-Sovietism is clearly anti-communism. And this is a fact that has been practically manifested for quite some time now.

It is to be remembered that former prominent Marxists like Bernstein, Kautsky etc., when they initially began to deviate from the Marxist line, made attempts to "improve upon" and "revise" Marxist theory. Later on, when the revision of Marxist theory assumed unity with anti-Sovietism, those forces which were advancing the revisionist line, wittigly or unwittingly, served as tools of imperialism by actually emasculating the working class movement in their respective countries. The disciples of these pioneers of revisionism (Bernstein, Kautsky, Millerand etc.) namely Trotsky, Jilas and their followers, having adopted an anti-Soviet stand, gradually shifted away and finally withdrew from the revolutionary camp, ultimately becoming tools of fascism, commiting the most notorious historical betrayal recorded in history.

The present-day disciples of Bernstein, Kautsky, Trotsky etc... namely, the Maoists and the "New Left" of the Western wold, following the trail of the old masters of revisionism, have continued to carry on with their anti-Sovietism. But as is the case with the old time revisionists, modern day revisionists have not been able to stop real socialism from ever advancing. Not only has the new left had almost no positive impact on the working class movement in the capitalist countries, it has left its own social base, the students and the intelligentsia as a whole, in a complete disarray.

Since the theory of the "New Left" arises from the premise that there exists no real socialism (though it makes passing critical remarks on capitalism and endeavours to mask itself under a marxist cloak) it can in no way be Marxist. As genuine Marxists do realize and the communist parties of the socialist countries themselves explain, there are certain problems which they face in the course of their endeavour to construct socialism and they are striving to solve these problems. There is no secret about this. Marxists have never entertained the false notion that no problems arise in the course of socialist construction. Nor will they entertain such a notion in the future. Nevertheless, some of the problems which arise in the socialist countries, in the course of socialist construction are objective and are related to the complexity of socialist construction. As such they can be and are actually being solved with the increasing use of the achievements of science and technology, with the indefatigable effort, creativity and active participation of the working people and with the correct leadership provided by their Marxist-Leninist Parties. The point with regard to this issue is this. To attach one self to existing socialism, to aceept the supremacy of socialism and to discuss in good faith the problems that arise in the course of socialist

Digitized by Google

construction is one thing. But to deny the existence of real socialism altogether, to be skeptical about its great achievements of world historic significance, to magnify some problems that arise in the process of socialist construction out of all proportion, is quite another. These lines run diametrically opposite to each other. Whereas the former further consolidates the socialist world system the latter, even if presented under the cover of Marxism-Leninism, objectively serves the interests of world imperialism. This should indeed be invarlably clear.

Genuine Marxists appreciate and are very proud of the great achievements and the level of development which present-day socialist countries have attained within a very brief span of time (65 years in the case of the Soviet Union is in not more than an individual's life time. And it is much less for other socialist countries.) as compared to the over-all history of the development of capitalism, despite the fact that most, if not all, of the socialist countries started out from relatively backward levels of development. Genuine Marxists realize that socialist countries face certain problems in the course of their socialist construction, but they also believe that these problems can be, and are actually being solved through the conscientious struggle of the working people and the correct leadership provided by their respective Marxist-Leninist parties.

The cardinal idea in the theory advanced by the "New Left" (Paul Sweezy, Charles Bettelheim and Co.) is on the contrary based on an outright denial of the existence of real and living socialism. Though armchair Marxists exude the cynicism that present-day socialist countries are "neither capitalist nor socialist" and attempt to improvise" A new form of society", they can in no way do away with the world socialist system for whose existence millions upon millions of peoples have sacrificed their lives. The ultimate doom of revisionists is to get bogged down in the mire of bourgeois ideology and advance this ideology in servility. That is why, sitting in New York, Paris etc... they engage in futile mental gymnastics and in the heat of their nightmares frantically attempt to cancel out of existence the socialist world system, with all its objective material basis, with nothing more than *sheer imagination*. This is nothing but petty-bourgeois infantilism masquerading in the name of Marxism-Leninism. The world socialist system, has remained invincible even in the face of the repeated assaults directed against it by international imperialism with all its economic and military power. And, it shall always remain invincible, despite the fanciful theoretical gymnastics of the "New Left".

Let alone an individual who claims to be a Marxist, anyone who observes the reality around him soberly, cannot deny that our world is at present split along two conflicting world systems. This is the naked truth discernible to everyone. Hence, the attempt made by the pseudo-Marxists of the "New

Digitized by Google

Left" to propagate the distorted view that there exists a "socio-economic formation" which is "neither capitalist nor socialist" and the view that communism can assume different forms in different continents (Euro-communism The "Third Way" etc...) by camouflaging their anti-Marxist stand with the a red banner is indeed saddening.

It is to be remembered that Lenin also conducted fierce struggles against such pseudo-Marxists during his life-time. Lenin has explicitly pointed out that not only rendering indirect ideological support to the capitalist class but even adopting a neutral stand in the course of the struggle between the proletariat and the capitalists, between socialism and imperialism is tantamount to standing for the interests of reactionary classes and holding back social progress.

Though the Ethiopian Revolution is now more than eight years old, it was in fact quite early in its course that Ethiopian revolutionaries realized the need to struggle against the pseudo-Marxist line of the "New Left" advanced by *Monthly Review* and its likes. A brochure published by the Ethiopian Revolution Information Centre in 1977, when the forces of revolution and counter-revolution in Ethiopia were locked in a life-and death struggle, not only along the frontiers but also in the Ethiopian hinterlands, had the following to say of *Monthly Review* and its likes:

> *One important factor that has inhibited the developemnt of socialist theory in Ethiopia is the pseudo-Marxist Anglo-American literature which had been for a long time the mainstay of political thought for the radical Ethio pian intelligentsia. The theoretical distortion of Marxism a la "Monthly Review", the so-called "New Left Review" and so on have contributed their part to arrest the development and crystalization of serious socialist thought in Ethiopia... It is important therefore that genuine Ethiopian Marxist-Leninists not only must fight the distortion of Marxism that comes either from Anglo-American pseudo-Marxist quarters or from other revisionist circles but also must transmit the genuine theory of Scientific socialism to the Ethiopian workers' movement.*

This is sufficient evidence that it is now quite a long time since revolutionaries in Ethiopia have taken up the struggle against the anti-Marxist trend of the "New Left" in the Western world.

In his Central Report delivered to the Third Regular Plenary Meeting of the Central Committee of COPWE, Comrade Chairman Mengistu Haile-mariam had commented:

> *"Left" and Right opportunism, revisionism and dogmatism have for some time been spreading confusion in Ethiopia, too, Among these the Maoist and "New Left" tendencies had at the time caused obstacles for ideological disimination.*[22]

Much can be said and written regarding the anti-Marxist essence of

Digitized by Google

the political line advanced by the so-called "New Left" intellectuals of the Western World. Nevertheless, we would here like to wind up our discussion with concluding remarks on issues of major significance only.

The essential content of the struggle waged against the socialist community by the "New Left" of the Western world is anti-communism. This revisionist line, which has been gradually dragging on for quite some time, as is clearly seen at present, goes so far as to deny the necessity and decisiveness of the class struggle not only on a global level but also within a given country. Revisionism, as Marxism - Leninism teaches us, is again another form of opportunism.

When we look in retrospect at the history of the working class struggle in the capitalist countries, we clearly discern that the history of the working class movement in general has been the history of a pride-worthy and fierce struggle against opportunism. Opportunism on the national level is a trend of betrayal and defeatism resplendent with high sounding and progressive pharseology which emasculates the working class struggle and surrenders the interests of the working class to that of the bourgeoisie. It is no wonder that a decade of intense political activity by the "New Left" has left them not a flea-hoop nearer to transforming capitalist society whose best critique they are.

Though it may appear under various veils and veneers, opportunism, in actual fact, is a deviation from the class struggle both on the global and national levels. That is because it is guided along the lines of crass subjectivism. The line it pursues is one which in the final analysis caters for the interests of national and international reaction. After having explicitly defined opportunism, Lenin has said the following concerning the need to wage consistent struggle against opportunism.

> *The whole struggle of our party (and of the working class movement in Europe generally) must be directed against opportunism. The latter is not a current of opinion, not a tendency; it (opportunism) has now become the organized tool of the bourgeoisie within the working class movement.*[23]

Particularly at the present moment, "New Left" opportunism, which has become a fad in the Western World, pretending to be a "free" entity belonging to neither of the two conflicting systems, forwards its "Marxist" critique on both. Nevertheless, the truth remains that it can by no means stand outside the sphere of the struggle being waged on the international level between the forces that stand for progress, peace and socialism on the one hand, and the forces that stand against peace, progress and socialism on the other.

Anti-Sovietism, which forms the basis of the ideology of the "New Left", is a component part of the anti-communist struggle of international imperialism. As such, it is a

Digitized by Google

"new" form of creeping opportunism, and pseudo-revolutionary posturing which has become manifest at the present juncture when the transition from capitalism to socialism has at- attained a significantly high stage of development on a global scale.

The "Marxism" propagated by the "New Left" endeavours to preach the compatibility between anti-Sovietism and Marxism. Nevertheless, since this endeavour merely generates from figments of imagination in the minds of opportunists and is simply contrary to the objective reality, it has now reached a tragic impasse. Because this phenomena known as new leftism, in actual fact, is neither all that new nor left except in appearance. As Gus Hall, General secretary of the Communist Party of U.S.A. writing in the Party's Political Affairs Pamphlet, regarding the objective role of opportunism, said, "opportunism is a no fight, no struggle policy. It is a policy of capitulation, of giving up and selling out the interests of the working classes. It is a policy that is covered by abstract, radical-sounding phrase mongering."

The alliance of those parties which were formerly Marxist but later immersed themselves in the mire of of anti-Sovietism need not be dealt with in details for it is only too evident. The Chinese Communist Party is a typical example. The fact that the right opportunist line which was advanced by the *leadership* of the Chinese Communist Party has now culminated in its alliance with imperialism shows the logical consequence, the ultimate end of opportunism. It is to be remembered that Paul Sweezy, Charles Bettelheim and the "New Left" in general have for long been giving support to the "Left" opportunist leadership of the Chinese Communist Party. Whereas it is common knowledge that the political line pursued by the *leadership* of the Chinese Communist Party has for long been anti-Marxist, the support that Paul Sweezy and Co. have for long been giving to it is additional evidence to their being anti-Marxist.

We would like to use this opportunity to recall what the eminent Marxist-Leninist, great son of the Bulgarian people, a prominent figure in the international communist and working class movement, Georgi Dimitrov, had remarked concerning the incompatibility between Marxism and anti-Sovietism:

> *You cannot be a Socialist and even an honest democrat, without resolutely and wholeheartedely siding with the Soviet Union, the great land of socialism and of genuine social democracy. The touchstone of fidelity to the interests of the working class, of loyalty to socialism for every workers organization is as a matter of fact one's attitude towards the Soviet Union.*[24]

In conclusion, there is one prominent fact that the pseudo-Marxist "New Left" of the Western world should realize. Since opportunism is divorced from truth and objective

Digitized by Google

reality, its fate is closely linked with that of dying capitalism. Since capitalism is bound to extinction, everything linked with it is also bound to extinction. On the other hand, everything linked with the international revolutionary movement, with the construction of socialism, with the working class struggle and the national liberation movement is permanent and eternal. If the "New Left" opportunists are tempted to deny this fact, all we can do is advise them to take a retrospective glance at history, for there is no more cogent proof than history itself.

NOTES

1. Bereket Habte Selassie, "The Dergue's Dillema: The Legacies of a Feudal Empire," *Monthly Review*, Vol. 32, No. 3, July-August, 1980, pp. 1-23.
2. *Ibid.*, p. 1.
3. *Ibid.*, p. 2.
4. K. Marx and F. Engels, *Selected Works*, Vol. 1, p. 89.
5. Berket Habte Selassie, *Conflict and Intervention in the Horn of Africa*, (New York & London, Monthly Review Press, 1980), p.IX.
6. *Ibid.*, p. 30.
7. *Ibid.*, p. IX.
8. *Ibid.*, p. 11.
9. *Ibid.*, p. 49.
10. *Ibid.*
11. *Ibid.*, p. 162.
12. *Ibid.*, p. 5.
13. *Ibid.*
14. Mesfin Wolde Mariam, *The Northern Administrative Region of Ethiopia Within the Context of the History of Struggle in the Horn of Africa*, (Asmara, September, 1981), pp. 69-70. (Amharic)
15. Paul Sweezy, "*A Crisis in Marxism Theory*," *Monthly Review*, Vol. 31, No. 2, June, 1979, p. 24.
16. *Ibid.*, p. 23.
17. *Ibid.*, p. 22.
18. Lenin, *Collected Works*, Vol. 32, p. 250.
19. Lenin, *The State and Revolution*, (Foreign Languages Press Peking 1970), pp. 114-115.
20. Lenin, *Collected Works*, Vol. 32, pp. 462-463.
21. Paul Sweezy, p. 24.
22. Comrade Chairman Mengistu Hailemariam, *Central Report to the Third Regular Plenary Meeting of the Central Committee of COPWE*, Addis Ababa, November, 1981.
23. Lenin, *Collected Works*, Vol. 35, p. 197.
24. "Dimitrov: Hero of the Comintern," *The New Worker*, 18 June 1982, pp. 4-5.

Digitized by Google

Transnational Financial Corporations and the State of Developing Nations

It is quite well known that the amount of private capital imported into the developing nations has been consistently growing over the last ten years. The role of large industrial corporations and transnational financial corporations has also concomittantly increased in these countries. The relations between transnational banks and the developing nations take various forms among which are to be found the grant of loans in hard currency, the establishment of subsidary banks in these countries and their consequent control of the national money market, the enormous circulation of Euro-currency and petro-dollar accumulations by private banks and so on.

The relations between transnational financial corporations and developing nations also have another unique aspect. This is the problem created in the developing nations as a consequence of the loans granted to them by these financial corporations. In 1981 alone it was assessed that the debt that the developing nations had to pay to private banks exceeded 200 billion dollars. It has also been proved that the increase of loans to the developing nations from transnational financial corporations has been the cause for a number of problems both to the creditors and their debtors. It is unquestionable that

Digitized by Google

the attempt made by the developing nations to pay their debts encroaches upon the development of their national economy. The problems faced by the creditor banks are also becoming ever more manifest in their various forms.

On the other hand, another deliberate mechanism resorted to by the financial corporations is their instigation of the developing nations to take additional credits in order to pay their debts. This type of practice tends to further deepen the dependence of the developing nations on the Western countries and forces them to conclude agreements and concessions on unequal basis with International Imperialism.

The Consistent Increase in the Debt of Developing Nations

Between 1971 and 1980, the debt the developing nations were expected to pay to the Western world grew from 87 billion to 450 billion dollars. The payment against this debt (including interests) also grew from year to year and has become much larger than the debt itself. Hence, in the period referred to earlier, the amount of such payment grew from 10.2 to 88 billion dollars. The main cause for the consistent increase in the debt of the developing nations is the unprecedented growth in interest rates. The largest dealings in the grant of loans are also being taken over by private banks. The grant of loans to the developing nations by private financial corporations which in 1971 amounted only to 25% of the total grant to these nations rose to 50% in 1980.[1]

Medium Term Credits obtained from the Euro—Currency Market

(At the End of Credit Year in Billion Dollars)[2]

Year	Debtor Countries (1)	Oil-Importing Developing Countries (2)	Oil-Exporting Developing Countries (3)	²¹ × 100
1972	6.9	1.6	0.9	23.2
1973	21.9	4.6	2.7	21.0
1974	29.3	6.3	0.8	21.5
1975	20.8	8.6	3.0	41.3
1976	28.9	11.0	4.0	38.1
1977	41.8	13.5	7.5	32.3
1978	70.2	26.9	10.4	38.3
1979	82.3	35.4	13.0	43.0
1980	77.4	24.0	11.0	31.0
1981	132.3	33.1	11.7	25.0

Digitized by Google

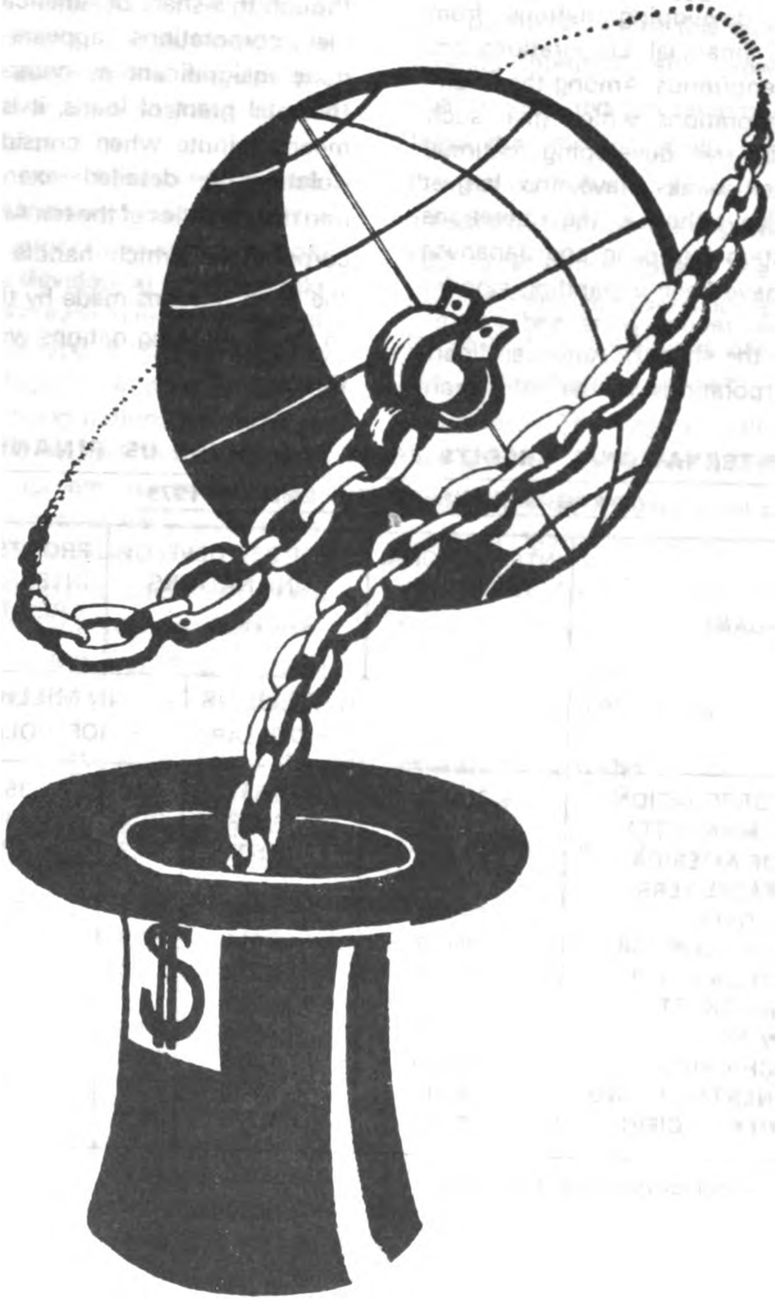
It can clearly be observed from the above table that the loans received by the developing nations from Western financial corporations are indeed enormous. Among the financial corporations which give such loans to the developing nations, American banks have the largest share. Nevertheless, the operations of Western European and Japanese banks have been expanding significantly in recent years and consequently the share of American financial corporations in the total grant of loans to the developing nations has declined to a great extent. Yet though this share of American financial corporations appears to be quite insignificant as compared to the total grant of loans, it is by no means minute when considered in isolation. A detailed examination into the activities of the ten American corporations which handle ¾th of the grant of loans made by the USA to the developing nations will prove this fact.

INTERNATIONAL CREDITS FROM TEN MAJOR US FINANCIAL CORPORATIONS-AT THE END OF 1979[3]

BANK	INTERNATIONAL CREDITS	CREDITS TO DEVELOPING NATIONS		PROFITS FROM INTERNATIONAL CREDIT OPERATIONS	
		IN MILLIONS OF DOLLARS	%	IN MILLIONS OF DOLLARS	%
CITY CORPORATION	38,927	15,587	40.0	352	64.7
CHASE MANHATTAN	21,773	6,828	31.4	146	46.9
BANK OF AMERICA	22,804*	8,804	36.3	226	37.7
MANUFACTURERS HANOVER	13,266	4,864	36.7	103	48.8
CHEMICAL NEW YORK	8,697	3,011	34.6	50	35.1
D.P. MORGAN & CO.	11,971	2,272	19.0	150	52.0
BANKERS TRUST NEW YORK	7,814	2,698	34.5	59	51.5
FIRST CHICAGO	5,454	1,819	33.4	4	3.5
CONTINENTAL ILLINOIS	6,816	1,953	28.7	36	18.5
SECURITY PACIFIC	3,585	1,725	48.1	17	10.4

* The sum includes shares and securities.

Digitized by Google



The world-wide chain of exploitation by transnational financial corporations will be broken through the anti-neo-colonialist struggle of oppressed peoples.

Digitized by Google

On the other hand, it can be clearly observed that the largest portion of the loan granted to the developing nations by Western banks goes to few of these countries alone. At present the loan granted to Brazil, Mexico, Phillipines, Argentina etc. comprises of 80% of the total loan granted to the developing nations. It is well known that these countries were recipients of loans from the earliest Western private banks in the latter part of the 1960's mainly because of their fast growing industries and foreign trade. In the 1950's and 1960s developing nations derived the bulk of the capital accumulation essential for their economic growth mainly from private capital, loans granted in foreign currency by private financial corporations for the purchase of goods from overseas and also from loans and aid grants from other nations etc. At the time private financial corporations did not play highly significant roles as such. Their role was restricted mainly to the grant of export-credit to the developing nations along with the partial financing of developmental projects in these countries with insurance from the concerned governments. These private transnational financial corporations at the time were of the conviction that the developing nations were not in a position to be trusted with the grant of loans by private banks.

It is only too well known that the debt which the developing nations owed to private transnational banks has been growing unprecedentedly since the 1970's . The major cause for this growth is ascribed to the economic development attained by the developing nations in the period. Transnational financial corporations prefer to set up their branches in those developing nations which are relatively economically stronger. Thus most of the branches of such financial corporations are concentrated in the Latin American countries. In the largest of the Latin American countries, namely in Brazil alone, there have until recently been 160 branches of various transnational financial corporations. In the Far Eastern Countries, too, American and Japanese transnational financial corporations have been setting up their branch banks on an extensive scale. As regards the African countries, most of them lack a sufficiently developed national market. Moreover, government regulations with regard to the activities of private banks are rather strict and hence the situation is not very much conducive to the activities of transnational financial corporations. Hence we do not find so many branches of the transnational private banks in these countries. In general, however, it is known that in 1976 subsidiaries of transnational financial corporations in the developing nations numbered 1573. [5]

The grant of credits by transnational banks to the developing nations is closely linked with the penetration of transnational corporations into these nations. Transnational corporations just like transnational financial corporations make the largest

Digitized by Google

portion of their investment in the developing nations which are economically better off. Apart from this, it can be observed that the increase in the trade activities of and investment by Western companies in the developing nations creates much more conducive situations for the operation of transnational private banks in these nations. Since the activities of one are indispensable to the development and continued existence of the other, there exists close similarity and interrelationship between the aims and activities of transnational corporations and transnational financial magnates. The branch banks in the developing nations give loans to transnational corporations and encourage the import of enormous quantities of goods by the developing nations. Particularly since recent times the financial corporations have been giving much assistance to and cooperating with transnational companies so that the latter would be able to export their capital into the developing nations in unprecedentedly large amounts.

The policies followed by certain imperialist countries (particularly the USA) have contributed significantly to the expansion of the activities of transnational financial corporations and banks in the developing nations. Well aware of the fact that the financial activities of private capital are much more conducive to their exploitative aims than direct intergovernment loans and financial agreements, imperialists strengthen private capital investment in the developing nations. Using this method they have tried and partially succeded in influencing the national economic policy and political freedom of these nations.

It is indeed undeniable that certain international economic situations have been the cause for the aggravation of this problem of the developing nations. It is only too well known that the economic and energy crisis in the Western countries upset the balance of payments of the non-oil-producing developing nations. And this in turn raises the demand of these developing nations for foreign capital. The fact that the number of developing nations which request for loans from Western transnational banks has increased since the middle of the 1970's is a tangible evidence to this state of affairs. Since 1977 approximately 54 developing nations have taken loans every year from the Euro-currency market. And 90% of the total loans granted by private banks, as pointed out earlier, went to those developing nations which were relatively economically better developed than the others.[6] The consistent increase in the debt owed by the developing nations to transnational banks has encouraged these banks to further intensify their earlier endeavour to increase the number of their client countries. The outcome of this endeavour has again become manifest due to the increasing number of developing nations which are willing to pay the high rate of interest demanded by the banks on the loans granted.

Digitized by Google

Certain officials of the Western countries whose banks grant loans openly state that the pressure of the banks themselves is one of the factors which has led to the speedy increase in the debt owed by the developing nations to such capitalist banks. One Latin American finance expert has explained this phenomenon very aptly. According to him the foreign capitalist banks approach the developing nations with invitations to grant credits even before they have made any request. If the developing nations plan to construct dams the Italians offer "Lires". If they want to set up factories, the French offer them their "Francs"[7]

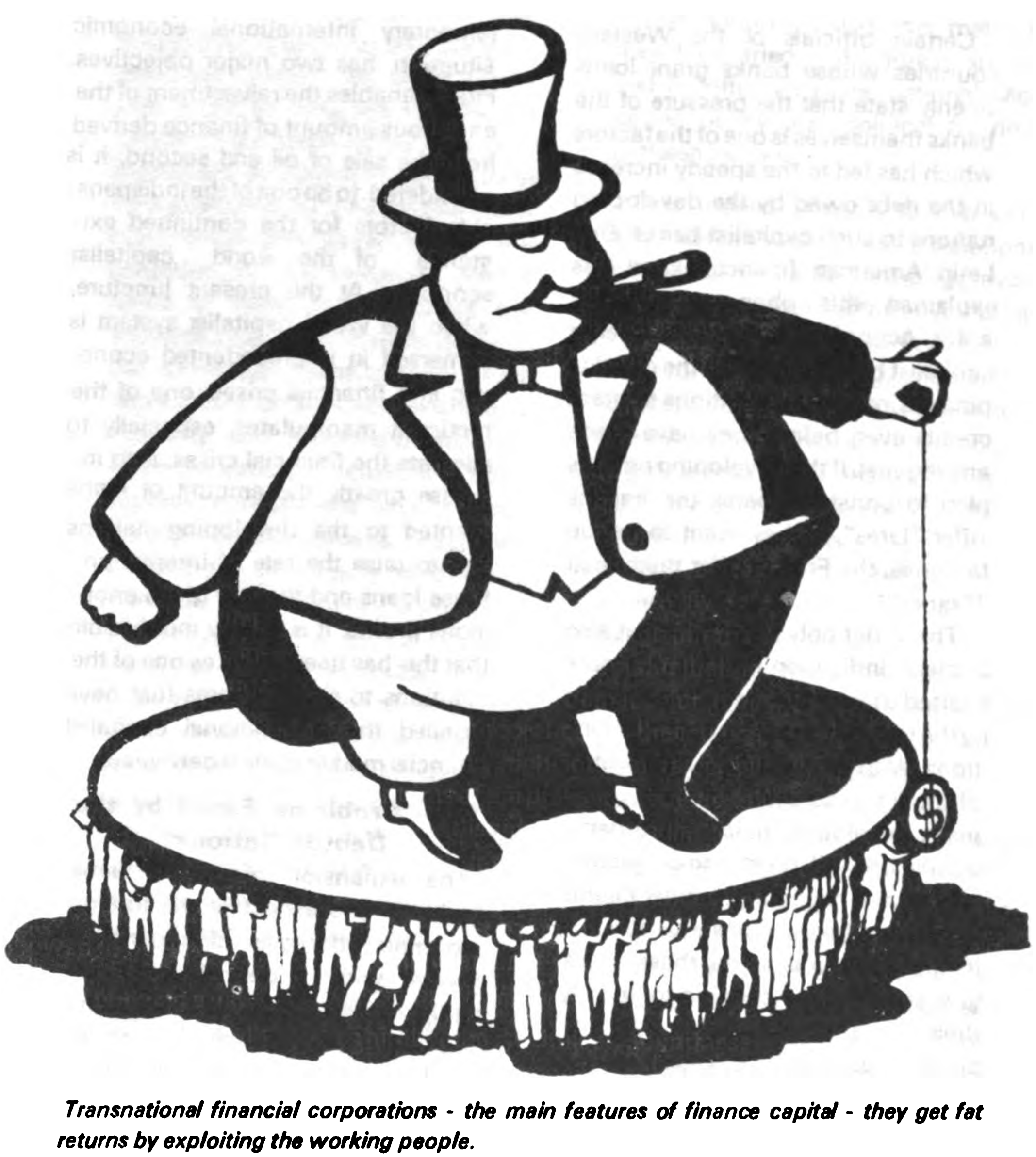
This is not only a reminder but also a clear indication of the pressure exerted upon the developing nations by the transnational financial corporations. With the mounting aggravation of the international economic crisis, many developing nations and particularly non-oil-prodicing developing nations are becoming regular clients to Western banks. Consequently, it is in no way surprising that these banks give special consideration to and lay their hopes on the developing nations. Economic activities in the Western capitalist nations have declined since the latter part of the 1970's and as a result the developing nations have clearly become the sole sphere of exploitation for the Euro-currency market.

On the other hand, the consistent growth of the debts owed by the developing nations to Western banks, if considered in relation to the contemporary international economic situation, has two major objectives. First, it enables the reivestment of the enormous amount of finance derived from the sale of oil and second, it is considered to be one of the indispensable factors for the continued existence of the world capitalist economy. At the present juncture, when the world capitalist system is immersed in unprecedented economic and financial crises, one of the tactics it manipulates, especially to alleviate the financial crises, is to increase greatly the amount of loans granted to the developing nations and to raise the rate of interest on these loans and thereby glean enormous profits. It is simply indubitable that this has been taken as one of the solutions to the problems that have assailed the international capitalist financial market since recent years.

The Problems Faced by the Debtor Nations

The expansion of private bank credits is one aspect of the foreign economic strategies of imperialism devised with the objective of placing the developing nations under the control of the world capitalist system. The largest portion of the loan granted by Western private banks to the developing nations is intended to facilitate the utilization of the natural resources and raw materials of the debtor developing nations by the capitalist countries. Thus it is only too evident that it is devised to satisfy the enormous demand of the capitalist countries for raw materials. According to Western

Digitized by Google



Transnational financial corporations - the main features of finance capital - they get fat returns by exploiting the working people.

Digitized by Google

financial experts, loans granted on this basis enable the acquisition of enormous profits and hence are believed to be an advantageous field of activity for private capitalists. Nevertheless, one thing must clearly be understood here. The profit accrued in this manner goes entirely to the Western monopolists and is not at all utilized for the national development of the developing nations.

On the other hand, it is quite well-known that though their balance of payments are being increasingly upset, the developing nations and particularly the non-oil-producing developing nations do not invest the loans they receive from Western banks of development projects. When considered from the short-term point of view, these loans are indeed believed to be helpful in restoring the balance of payments to a healthy position. Yet, they also definitely lead to further problems in the settlement of the debts.

The consistent growth in the debt owed by the developing nations to private banks inevitably lengthens the period of payment of debts for these nations. The loans granted by private banks do not only involve higher rates of interest but are also granted for shorter periods as compared to loans granted by governments. According to a report issued by the International Bank for Reconstruction and Development (IBRD), 70% of the loan granted to the developing nations by private banks has to be paid by 1982, while only 25% of similar loans granted by governments will have to be paid back by the same period.

The dependence of those developing nations which utilize loans from Western banks on the world capitalist money market is becoming ever more conspicuous. The increase in the rate of interest in the capitalist money market has enormously raised the amount of interest that the develop-

Loans given to Non-Oil Producing Developing Nations to set off Deficits in their Balance of Payments

	1973	1974	1975	1976	1977	1978	1979
Deficit on Current Trade Balance	6	24	32	20	14	26	39
Long-Term Government Credits (Net)	5	7	11	9	11	12	14
Credits from Private Banks (Net)	9	16	19	18	18	23	32
Other Sources	1	4	3	4	3	3	1
Reserve	9	3	1	11	12	12	8

Digitized by Google

ing nations have to pay. In 1970-80 alone, the interest that twelve of the non-oil-producing developing nations, among those which had taken loans from Western private banks, have to pay has grown from 11 to 16 billion dollars. Particularly the interest on medium-term loans from the Euro-currency market raises the rate of interest not only on future but also previous loans, further aggravating the problems of the debtor nations. A one per-cent increase in the rate of interest brings about an increase of 440 million dollars in the amount of interest the debtor nations have to pay within a period of one year.[9]

The size of the debt to be settled within a given period and the capability of the debtor nations to settle the debt can be assessed by comparing the size of their debt with the size of the income they derive from foreign trade. If examined on the basis of this premise, the situation in the non-oil-producing developing nations in general manifests an unhealthy imbalance which between 1974 and 1979 has grown from 9% to 17.5% respectively. This again indicates how much these nations have been weakened economically. Though the price of the raw materials exported by the non-oil-producing developing nations grew in the 1970's, it did not alleviate the problem of deficit in the balance of their current trade account. Hence, the payment of debts on earlier loans was made by resorting to additional loans. If the debt of the developing nations continues to increase at the present yearly rate, 88% of the payment of these debts in 1985 will have to be covered from additional loans. If this happens, it is by no means difficult to understand that the amount of money which is utilized directly by the developing nations becomes indeed very minimal. With reference to the impact of of Western credits on the economic development of the developing nations, G.C. Abbot, in his book *International Indebtedness and Developing Countries*, has vividly and correctly summed up the situation. If the debt of the developing nations continues to increase, it brings about a simultaneous decline in the total amount of wealth they could utilize for development purposes. This in turn, reduces the rate of economic development and also minimizes the capital accumulation to be utilized in investment and to pay back foreign credits.[10]

Some bourgeois scholars attempt to present the loans granted by Western banks as though they are free from political and economic influence. Nevertheless, it is only too easy to observe that the fact is actually the reverse. It is quite well known that the Western banks easily grant loans to those countries which follow the capitalist path of development and to those countries which are recipients of military and other forms of aid from Imperialism.

The consistent growth in the debt owed by the developing nations to Western private banks has enabled the Western countries to wield re-

Digitized by Google

markable influence on the national economy, the direction of development and general activities of the developing nations. The American banks known as City Bank and Morgan Guarantee Trust have officially declared their desire to persuade the debtor countries to follow an economic policy based on the limiting of the rate of overall national consumption and the lowering of the living standard of their peoples. Hence, there is little doubt that the receipt of huge loans from Western private banks, unlike what is claimed by the governments of certain developing nations, does not lower the degree of dependence but rather increases their dependence on the capitalist world.

Western private banks attach certain economic demands that are to their advantages with the loans they grant to the developing nations. The objective of these demands might superficially appear to be a means devised to ensure that the debtor nations pay back the loans in a short time. Yet, it is also essential to fully understand that such an approach by the finance monopolists is inimical to the goals of economic and social progress set up by progressive countries and countries which follow the socialist path of development. In addition, it should not be forgotten even for a single moment that Western experts who are planted in certain developing nations as advisors utilize the demands of the private banks to attain their objective of consolidating the private economic sector in such developing nations.

On the other hand, it has also been proved that the consistent growth of the debts owed to Western banks by the developing nations creates an imbalance in the distribution of wealth in these nations. The flow of enormous amounts of finance into the developed countries while there are developing nations which have dire shortage of finance is sufficient evidence of this fact.

The general truth we can arrive at from an assesment of all these factors is that the loan acquired from Western financial corporations can in no way solve the problem of financial shortage faced by the developing nations. Consequently, the struggle that the developing nations are waging at present for national liberation and social progress is undoubtedly bitter and requires immense sacrifices.

The Intractable Problem of the Creditors

One of the major phenomena that has in recent years manifested itself in the operations of the international banking system is the worsening of the foreign exchange situation of the developing nations. Among the major causes of this problem is the inflation of private bank credits owed by the developing nations as is often cited by Western experts. Yet, it is not the creditor banks themselves but the financial officials of certain capitalist countries who reflect this view with confidence.

The assertion that private banks have reached the maximum limit in

Digitized by Google

the credits they give the developing nations and made by a former chairman of the Banking Committee of the US Congress is sufficient evidence of this fact. There may indeed be cogent reasons for this kind of fear. Between 1974 and 1980 alone, the number of developing nations which requested for credit from international corporations because they were unable to settle their debts had risen from 3 to 18.[11] Even those developing countries which at one time were looked upon with preference by Western banks were unable to escape this inevitability. For instance Zaire, a country renowened for the abundance of its natural resources, was unable to pay its debt of 500 million dollars to Western banks as a result of the decline in the price of raw materials that took place around 1975.

Another factor which aggravated the fear entertained by Western financial corporations is the accumulation of credits in certain regions when considered from the point of view of both the creditors and the debtors. In 1979, for instance, US banks were expecting the payment of a debt of one billion dollars from ten countries only. US banks had previously decided upon the maximum limit of credit they would offer to any one country. The view variously expressed at present is that developing countries should not be offered credits exceeding this maximum limit. Regarding this view, former Chairman of Bundess Bank, O. Eminger had said that this practice could be disastrous for the banks and that it was sufficient for them to give credits to their clients from their bank reserves.[12] What we can derive from this statement is the fact that the international banking system has decided to make much more careful operations in the 1980's. Certain Western scholars reiterate the view that it is necessary to follow a specific economic policy if the financial situation in the developing countries is to improve. Yet, such an approach will inevitably have adverse impacts on the capitalist countries as well. Certain assumptions reveal that an average decline of 3% in the economic development of the developing nations brings about a decline of 1% in the economic development of some capitalist countries.[13]

Some Western European financial experts have not refrained from suggesting their own "solutions" to the aforementioned problems. Thus, they believe that the export of capital through the use of bilateral governmental relations should be encouraged by reducing the circulation of capital in the form of private bank credits. In other words, they are of the conviction that the export of capital to the developing nations through such international financial corporations like the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD) etc. and other similar transnational financial corporations should be encouraged. On the other hand, there are others who view the situation differently. Certain American bank officials have openly

Digitized by Google

expressed the view that so long as their banks get high rates of interest on the credits they give to the developing nations, they have no worries as regards the question of to whom and how much credit they give.

The stand adopted in general by American financial monopolists as regards this issue has been explained as follows by the american economist Friedman. According to Friedman, so long as the necessary "precautionary measures" are effectively put into practice, credits to the developing nations involve no more risks than any other bank operations. The following comprise of what Friedman refers to as "Precautionary Measures".

- Investigating into and ensuring the capability of the debtor nations to pay back their debts.
- exert extensive effort to gain the guarantee of both the governments of the creditor and debtor nations.
- To gain the guarantee of the branches of transnational financial corporations operating in the debtor nations (particularly if the credits are utilized through these corporations).
- Raise the bank reserve to cover probable deficits.
- To get the assistance and co-operation of international financial corporations and regional banks etc.

This view has been adopted by the giant banking monopolists with the conviction that giving credits to the developing nations brings enormous profits. The fact that the average profits accrued by the Euro-currency market on credits to the developing countries within the second quarter of 1980 amounted to 1.2%[14] has further strengthened this view.

In addition, it is necessary here to examine one problem which has become much more intricate in recent years in the world capitalist money market. At the present juncture when the financial situation in the Western countries has become very unstable and inflation has become much more aggravated, short term deposits in private banks are increasing at enormous rates. It is also known that such short term deposits mainly comprise of petro-dollar deposits. In 1980 alone, the amount of petro-dollar deposited in the Euro-currency market had reached 45.1 billion dollars. Moreover, it cannot be denied that the economic crisis in the capitalist countries and the consequent decline in the demand for bank credits have indirectly contributed to the liquidity problems faced by the banks in the Euro-currency market.

Though transnational financial corporations are by no means under pleasant circumstances, they have not cut down on the credits they give to their regular clients-the developing nations. Yet, they do not look upon posible disasters from this undertaking with indifference. They have not only devised effective means that would enable them to assess the capability of debtor nations to pay their debts but also have set aside

Digitized by Google

suffecient monetary reserves to be used when and if unforseen circumstances obtain. But above all, their endeavour to use the bourgeois state and its machinery to obtain guarantee and protect their interests should not be easily overlooked.

The Unity Between International Financial Corporations and Transnational Banks

It is, at present, observed that while private credits given by transnational banks are on the one hand constantly growing, loans granted to the developing nations by imperialist governments are, one the other hand, decreasing. It is to be remembered that the development aid given to other countries by the member states of OPEC in the period between 1974 and 1978 on the average amounted to only 5.7% of the gross domestic product (GDP).[15]

It is also known that the loan given by international financial corporations like IMF, IBRD, etc... is indeed minimal as compared to private bank credits. Between 1974 and 1979 the loan granted to the developing nations by the International Monetary Fund (IMF) was 11 Billion dollars whereas the loan that the developing nations obtained from the Euro-currecy Market in 1979 alone was estimated to be over 30 billion dollars. Moreover, according to a report compiled by *The Economist*, between 1974 and 1979, 3% of the money that the developing nations needed to set off the deficit in their balance of payments was obtained from the International Monetary Fund (IMF) whereas 80% of the money they needed for the same purpose within the same period was obtained from private banks. This fact thus further corroborates the above-mentioned trend.

It has become common practice among the West to convene meetings to discuss the debt of the non-oil-producing developing nations. Private banks strongly desire such discussions to be organized and conducted by international financial corporations like the IMF, IBRD, etc... For instance, during the "Paris Club"* discussions of 1976, a resolution was passed to reach a decision concerning Zaire's debts. And it was decided to give Zaire an additional period of 10 years to settle its debts. On the other hand, the 1976 London meeting resolved that Zaire had to pay all the interest on the credit it had obtained from private banks upto November, 1970 within the same month if it wished to obtain further private credit. It was also resolved that Zaire should negotiate with the International Monetary Fund if it was to be given credits by March, 1977 and that it should immediately start payment so as to be able to finish paying 50 million dollars out of the debt it owed to private banks by February, 1977. What we should clearly grasp here is that in the negoation between Zaire and the IMF, the fact that Zaire followed an economic policy suited to the creditor banks was considered as an international guarantee and

*The "Paris Club" is an unofficial organization set up to investigate into the debts of those countries which face foreign exchange problems.

Digitized by Google

that primary emphasis was laid on payment of the credit it had taken from private banks. This again is tangible proof of the fact that bourgeois governments protect the interests of private banks and shall not refrain from doing so in the future.

It is to be remembered that the "Morgan Guarantee Trust" took the initiative in 1977 to point out the cooperation that could exist between transnational private banks and international financial coporations. In one of the publications of this Trust, it was pointed out that international financial corporations should be ever more vigilant and control financially unreliable debtors in order to maintain the confidence of credit banks.[16] According to the Trust, the cooperation between the two enables the exchange of information that is of mutual benefit. Eventually, negotiations started between the two sides on the basis of the Trust's proposal on possible forms of mutual cooperation.

Thus at the conference of international finance held in Tokyo in May, 1977, the following proposals were made by M. Blomental, the then US Secretary of Finance .

> *To devise means which would enable international financial corporations and private banks to give joint credits.*
>
> *That the granting of joint credits be supplemented by exchange of information and that international financial corporations should in particular provide creditor banks with essential information concerning the financial and economic conditions of the debtor nations etc.*

Nevertheless, the meeting did not reach at any decision owing to the manifestation of different views concerning the issue of cooperation. Yet, this did not prevent transnational private banks from utilizing the services of international financial corporations and exerting their influences upon the economic policies of the debtor nations.

On the other hand, transnational banks have maintained a certain degree of cooperation with such organizations like the International Bank for Reconstruction and Development (IBRD) in their dealings with the developing nations.

In 1975, they had started giving joint credits. Thus the IBRD has been cooperating with private banks by devising means through which its own clients could get credits from the private banks as well. It is known that out of the 3.2 billion dollars given out in the form of such joint credits in mid-1979, private banks had a share of 550 million dollars.[17] It has also been discovered that other regional banks such as the American Development Bank give joint credits with private banks in the same manner.

Private banks find the cooperation between international financial corporations like IMF, IBRD and transnational private banks highly beneficial because it is helpful in drawing credit agreements, compiling information on the economy of debtors and in minimizing possible losses.

Digitized by Google

International Financial Corporations are also of the conviction that such cooperation will help them to raise their financial capability and further extend their influence upon the debtor nations.

Imperialist governments have even gone farther than the aforementioned cooperation in the grant of credits and have recently intensified their endeavour to obtain guarantees for the transnational private banks operating in the developing nations. Most financial experts in the Western countries are convinced that it is necessary to take precautionary measures to eliminate possible losses that might occur if the debtor nations failed to pay back the credits they had drawn from transnational banks or if they draw out the financial reserves they have deposited with these banks because these are harmful obstacles to the credit operations of these banks. This view seems to have gained wider acceptance especially at the present juncture when the utilization of the enormous amount of money derived from the sale of oil has become increasingly difficult.

At the meeting of the central banks of the "Group of Ten" held in 1980, it was noted that the reliability and strength of international bank operations should be ascertained since these operations are expanding widely. And to attain this objective, it was resolved that information concerning the activities of the debtor nations and the private banks should be compiled in better ways and that the compiling of international bank statistics should be done in a more feasible manner so that transnational banks would be able to obtain up-to-date information on other domestic banks. The fundamental fact to be derived from all these endeavours is that the problem faced by the imperialist states in controlling the activities of international banks can in no way be considered apart from their endeavour to create suitable conditions for the operation of finance capital.

The consistent growth in the credits given to the developing nations by transnational banks is directly connected with the growing influence of private capital in the economic relations of these nations. Though this is the case, there are tangible evidences that the activities of private capital cannot and will not bring about equal distribution of Income in the Western countries. Despite this fact, the participation of international financial corporations, some bourgeois ideologists assert, necessary to solve the foreign currency problems faced by the developing nations. Yet, from the point of view of the balance of forces prevailing in the world today, it is only too well known that international financial corporations do not work in conformity with the national interests and fundamental needs of the developing nations.

It was for this very reason that it was demanded to conduct an international panel of trade, economic and financial situations under the auspices of the United Nations during the conference held by officials of 22 states in October, 1981. Moreover, it is clearly observed that the intricate

Digitized by Google

struggle which the developing countries are carrying out in unison for the New International Economic Order is aimed at creating a system of economic relationship between nations that is based on equality and mutual benefit.

NOTES

1. Taken from OECD data.
2. *International Currency Review,* Vol. 12, No. 3, 1980, P. 29 and *World Financial Markets,* December, 1981, P. 14.
3. *International Currency Review,* Vol. 12, No. 3, 1980, PP. 31-32.
4. *Transnational Corporations in World Development: A Re-examination,* U.N., New York, P. 215.
5. According to IBRD, these are countries with pre-capita annual income of 550-2,500 US dollars.
6. *CEPAL Review,* No. 6, 1978, P. 94.
7. *International Currency Review,* Vol. 12, No. 2, 1980, P. 12.
8. *Financial Times,* June 16, 1979.
9. *Ibid.,* January 7, 1981.
10. G.C. Abbot, *International Indebtness and Developing Countries,* (New Delhi, 1980), P. 7.
11. *Far Eastern Economic Review,* October 19, 1979, P. 57.
12. *US News and World Report,* November 18, 1980, PP. 93-94.
13. *Foreign Policy,* Spring, 1978, P. 134.
14. *Financial Market Trends,* November, 1981, P. 24.
15. *World Bank Annual Report* 1980, P. 20.
16. *The world Economy,* May, 1979, P. 232.
17. *The Banker,* November, 1979, P.46.

Digitized by Google

Culture and the Ethiopian Revolution

Culture is a sum total of the material and spiritual heritage created and accumulated by man in the course of his social activities.[1] Culture is the outcome of social practice and development.

Man's productive activities assume two fundamental aspects: material and spiritual production. Culture, too, has two fundamental categories: material and spiritual. Material culture comprises of all the material objects produced by man (like technical instruments, construction materials, instruments of communication etc...) Spiritual culture refers to social consciousness and all the products of mental labour and embraces all fields of knowledge, education, science, art, law, religion, politics, philosophy etc....

Though culture is basically divided into material and spiritual culture, it does not mean that spiritual culture wields no influence on material culture or vice versa. Development in spiritual culture contributes to the enhanced development of material culture; and development in material culture enhances the development of spiritual culture. For instance, the improvement of television, which is essentially the product of man's material culture, enhances the development of theatre, the cinema etc... which are essentially the pro-

Digitized by Google

ducts of spiritual culture. On the other hand, the production of literary masterpieces encourages the innovation of new technical devices suited for the film production or stage performance of these masterpieces.

There are two major points that we have to bear in mind in relation to the division of culture into the two broad categories of material and spiritual culture. Firstly, material and spiritual culture may overlap. For instance, a book, a television production, a musical piece etc..., embodies elements of both material and spiritual culture. The paper from which the book is made is a product of material culture whereas the ideas that the book embodies are elements of spiritual culture. The melody in a musical piece is a product of spiritual culture whereas the musical instruments used are products of material culture Whereas the TV set is a product of material culture, the television production (play, film etc) is a part of spiritual culture. Secondly the production of elements of material culture (like instruments of production) is impossible without the participation of man's creative thought and innovation.[2] Thus, in our categorization of culture into material and spiritual culture, we must still give due recognition to the interrelationship between the two categories.

In general, culture is the sum total of the creative potential, knowledge, views, outlooks and feelings of a given people accumulated through the ages. The elements of culture are basically interrelated and manifest close interaction. On the one hand they cater to the spiritual needs of society and on the other hand, in their material aspect they enhance the growth of social production.

The day-to-day life of the people that is, the sustenance of life and the satisfaction of their needs, is the sum total of the activities and means related to the utilization of material wealth by the family as well as by the society. Food, shelter and clothing are necessities of life. They are aspects of material culture whose quality (the materials of which they are made etc.) is determined by the level of growth of the productive forces. The day-to-day life of the people, however, is not determined by the level of growth of the productive forces alone. It is also determined by such factors as the relations of production i.e. the form of distribution and consumption etc...

Idealist philosophers isolate spiritual culture from the relations of production, which in actual fact, forms its essential basis .They claim that culture has no material base and exists outside of both the mode of production and the relations of production. On the other hand, Marxists believe that the relations of production are the basis of cultural development and that there exists a relationship between the development of culture and the growth of the productive forces. Moreover, even though man's material production forms the base from which culture is derived, this culture in turn influences the material base. In other words, culture

Digitized by Google

can either enhance or impede the development of society.

Basically every technical innovation is the outcome of the productive endeavours, needs and activities of the people. The harmony between the material needs of the masses and culture ensures enhanced cultural progress. This can be observed clearly if one examines the artistic works of the literary artists, painters, composers etc. in the world. The works of these artists have won them greatness and fame because they possessed profound knowledge of the creativity of the people and moreover they were based on the accumulation of the cultural heritages of the people.

It is the masses of the people who are the makers of culture. Yet, there is one point that we should bear in mind here. Though the working people are the makers of culture, in class societies culture could be used as an instrument for oppressing the very working people who are its makers. This is a fact actually observed in slave, feudal and capitalist societies. Culture in bourgeois societies largely caters for the interests of the bourgeois class. It serves as a means for oppressing, exploiting and misleading the masses. On the other hand, some aspects of popular culture with democratic content can manifest themselves and even develop to a certain level within the bourgeois society itself. Working class culture, however flourishes, develops and attains supremacy with the triumph of a socialist revolution. When socialist culture is built through the cultural revolution, each and every worker becomes not only a maker of culture but also an active participant in the shaping of the culture. He utilizes the products of culture, derives mental and psychological satisfaction and develops his mind. Socialist society is a form of society in which the role of spiritual culture attains ever greater significance. It is under socialism that literature and art and the creativity of the people not only manifest enhanced development but also play highly significant roles.

Socialist culture is made by the masses of the people and develops through the utilization of the accumulated wealth of both spiritual and material culture which make up its basis. Thus socialist culture is not a separate entity, separated from world civilization. It is impossible to develop proletarian culture by arising from the scratch or by neglecting the cultural heritages that have been accumulated through the ages. With regard to the evolution of proletarian culture, Lenin has said;

> *Proletarian culture must be the logical development of the store of knowledge mankind has accumulated under the yoke of capitalist, land owner and bureau cratic society.*[3]

and further elaborated,

> *We must take the entire culture that capitalism left behind and build socialism with it. We must take all its science, technology, knowledge and art.*[4]

From the vast wealth of cultural

Digitized by Google

heritage that man has accumulated through his long history, communists select and develop those elements which are beneficial to the construction of socialism. They do not accept all past cultures wholesale. As Lenin has pointed out, "(We)... do not guard the heritage in the way an archivist guards an old document. Guarding the heritage does not mean confining ourself to the heritage". [5] Hence, the builders of popular socialist culture select only those elements of the old culture which are beneficial to the masses and the criteria used in the selection are based on strict class criteria. Leninism emphasizes the need to fight against bourgeois ideology in all aspects. It requires that socialist culture be built on the basis of communist principles.

Just like bourgeois culture, socialist culture, too, has its national peculiarities. In socialist society, nations and nationalities develop their respective cultures on the basis of equality. Socialist societies exchange the products of both material and spiritual culture. This exchange enhances the development of socialist culture. In socialist society one nation or nationality selects beneficial elements from its own culture or from the culture of other nations and nationalities and develops it further. As such national culture and international culture attain unity irrespective of their diversity. Culture thus becomes international in form and national in content. Its international aspect derives from the fact that it is a socialist culture made and developed by the working people.

Thus socialist culture, a new and developed culture, which has as its basis all the progressive elements of man's cultural heritage, manifests itself in the course of the endeavour for socialist construction.

Socialist culture differs from contemporary bourgeois culture in its social values, essential content and purpose. Socialist culture is nurtured by communist ideals. Its partisanship is towards the masses. It is based on scientific outlooks. It is popular, humanitarian and communal. Though it is national and patriotic, it is at the same time internationalistic. It preserves and maintains progressive elements from man's overall cultural heritage. It enhances the enrichment of national cultures because it encourages cultural exchanges between nations, nationalities and countries. Just like other aspects of socialist construction, the building of socialist culture is carried out under the vanguard leadership of the Communist Party.

Material culture and spiritual culture are like the two sides of a coin. The development of one indicates development in the other and vice versa. A brief examination of culture in pre-revolutionary Ethiopia will help us better understand this fact.

In pre-revolutionary Ethiopia the defunct feudo-bourgeois ruling class had absolute power over the lives of the people. This power was consolidated not only in the economic and political spheres but also in the cul-

Digitized by Google

tural sphere, which was essentially a reflection of the system that prevailed in the country in those days. When we discuss culture in Ethiopia, we must frame our discussion within the context of the socio-economic formation in the country. Among the various forms of relations that exist in society, economic relations (i.e. production relations) stand out glaringly as the most vital and most decisive. That is why the activities of material production form the essential basis of historical materialism. A socio-economic formation is the cumulative of social phenomena and processes (economic relations, ideology, family life etc...) in society. In the course of history one socio-economic formation is replaced by another, more progressive economic formation. That is how society develops. The feudo-bourgeois socio-economic set-up that existed in pre-revolutionary Ethiopia was indeed very backward. This backward socio-economic set up, in turn, was the cause of the backward culture that prevailed in the country

The cause of cultural backwardness in Ethiopia is thus the backwardness of the socio-economic formation in the pre-revolutionary days. The popular culture of the masses could not develop because it was throttled by the political machinery of the autocratic imperial government. Hence the masses of the people were forbidden to congregate and discuss their problems and find the solutions thereof.

Because of the prevailing feudal outlooks, people who were engaged in handicraft work were looked down upon with contempt, denigrated and vilified. Such handicraftsmen were actually ostracized by the society. Religion, too, hand-in-hand with the reactionary political system, contributed to the prevalence of such backward outlooks among the people. Nevertheless, some aspects of culture manifested relative growth in those towns and regions where the king, aristocrats, princes and feudal lords resided. Actually, when we examine the dialectecs of this growth we observe that it was the outcome of the endeavour to maintain the supremacy of the ruling class. It was not at all meant to enable the working masses to attain a higher level of cultural development or enhance the development of the national culture as such. Ethiopia is a multi-national state in which various nationalities are found at varying stages of development. In addition, the penetration of imperialist culture particularly in certain regions, has contributed to the increasing diversity in our culture. This being the objective reality, the task of constructing a new national culture in our country is by no means so easy.

CULTURAL REVOLUTION:

Its Content and the Need for It

Our Struggle to accomplish the transition to socialism in triumph by maintaining and developing the victories that we have scored in the course of the National Democratic Revolution shall continue unabetted. Without undue pride in having successfuly brought our Revolution to its

Digitized by Google

present reliable stage of development, we must increase our revolutionary endeavours manifold and intensify the cultural and ideological revolution which comprises of a vital part of the revolutionary transofrmation and which we have braced ourselves to bring about. This is indeed imperative for it is through this endeavour that the old culture can be replaced by a new culture and that the old ideology can be replaced by a new ideology. This again helps the erection of the superstructure on a foundation that is suited to the construction of socialist society.

The new culture which is at present taking shape in our country is a proletarian culture that is diametrically opposed to the old feudo-bourgeois culture. The building of this superior culture is by no means an easy task to the masses of the people. They have to make a radical leap from a backward, illiterate culture to the highest level of cultural development And such a leap cannot be accomplished otherwise except through a genuine cultural revolution that sweeps all the bad habits from the entire society in general and the working people in particular. Hence, socialist construction in Ethiopia comprises not only of revolutionary transition from the old and backward mode of production to the new and progressive mode of production, but also the transition from the feudo-bourgeois culture to socialist culture. This cultural transformation, however, cannot be carried out overnight for it is a protracted process and can be accompiished only gradually.

Culture embraces all aspects of social life ranging from the sphere of production to ideology. Communists do not regard culture as fixed and eternal. Culture is a reflection of the production relations and as such changes in the relations of production also spell changes in culture. Moreover, since culture, like social life, comprises of diverse elements, it develops from day to day in response to changes in the base as well as in the superstructure. Especially the economic changes brought about by the revolution in the sphere of production have a very significant impact upon the behaviour, outlooks, views, tendencies, consciousness, creativity and linguistic behaviour of the masses. Hence, the radical measures taken by our thoroughgoing Revolution of February 1974, are, without doubt, transforming both the base and superstructure in our society. This in turn facilitates the development of culture in various ways.

The nationalization of all the major means of production has created conducive situations for the development of popular and working class culture. It is imperative that we utilize the objective and subjective conditions that have come into existence as a result of the revolution and resolutely carry out a cultural revolution to abolish the backward and harmful elements in our culture (like the oppression of women, chauvinism, narrow nationalism, illiteracy,

Digitized by Google

embezzlement, wastefulness etc.).

The radical measures taken in the course of our Revolution so far have been aimed at emanicipating the masses of the people from oppression and exploitation and at constructing a society in which justice and equality prevail. One of the major characteristics that differentiate a socialist revolution from all the other revolutions that have been witnessed so far is the fact that it enables the construction of a society in which there is no exploitation of man by man and in which equality prevails. As Marx aptly put it in *The German Ideology,*

> *All conquests of freedom hitherto, have been based on restricted productive forces. The production which these productive forces could provide was insufficient for the whole of society and made development possible only if some persons satisfied their needs at the expense of others, and therefore some - the minority - obtained the monopoly of development while others the majority owing to the constant struggle to satisfy their most essential needs, were for the time being (i.e. until the birth of the new revolutionary productive forces) excluded from any development.* [6]

The working people of Ethiopia have intensified the bitter struggle which they have undertaken in order to emanicipate themselves from oppression and exploitation in both the economic an ideological spheres. Culture has its roots among the masses of the people, and, in the course of the class struggle, it is made to serve interests of the masses who are actually its makers. As Lenin has pointed out, the products of knowledge and the human mind, the achievements ot science, technology and art were in the past used to serve the interests of of the few while the masses could not satisfy even their basic needs and were left outside of education and progress. Henceforth, however, the products of the human mind and knowledge, shall no longer be used for oppression and exploitation.[7]

As explicity stated in the Proclamation providing for the establishment of the Commission for Organizing the Party of the Working People of Ethiopia (COPWE), one of COPWE's duties is.

> *(To) find ways to develop and enrich the useful traditional cultures, customs and practices of the society in a manner conducive to the building of a socialist society; and in cooperation with the appropriate government offices and organizations, liberate the people from backward cultures, customs and practices.*

Thus COPWE is exerting every endeavour for the practical implemenmentation of this Leninist directive for cultural development in the country.

All these endeavours to develop and consolidate the new socialist culture further call for the enunciation of a coherent cultural policy. In principle, undertaking the cultural

Digitized by Google

and ideological revolution is only a manifestation of one of the general directives of socialist construction. The upringing of socialist intellectuals who are loyal to the working people is also an urgent necessity.

In their endeavour to emerge victorious from the wars that reactionaries opened against them in various directions, the masses of the Ethiopian people have now undertaken the task of economic construction by rallying themselves for the Revolutionary Economic and Cultural Campaign. The Literacy Campaign, which is a part of this revolutionary campaign and is aimed at eradicating illiteracy from the entire country and ultimately providing education to every Ethiopian citizen on an equal footing, is being highly intensified. The successful accomplishment of the Literacy Campaign will enhance the cultural growth of the people. Education is a vital instrument of struggle. As Lenin had said at the first All Russian Congress on Education, held on August 28, 1918, "The working people are thirsting for knowledge because they need it to win."[8] This saying applies to the working people of Ethiopia too.

The practical implementation of the Literacy Campaign enriches the day-to-day life of the people. It encourages the establishment of schools of vocational training that are directly related to practical, productive endeavours. It will also enhance the training of working class cadres capable of giving effective leadership in big farms, industries and in the economic sector in general. This in turn contributes towards the creation of new socialist intellectuals.

It is indeed imperative that we teach the Marxist-Leninist ideology to our youth and mould them in a new way if we are to create a working class intellegentsia which has linked its fate with the fate of the working class. It is also vital that those of the present-day intellegentsia, who are engulfed by bourgeois ideology develop their consciousness along the lines of Marxism-Leninism.

The arming of the young generation with the Marxist-Leninist ideology is a guarantee for the successful construction of socialism in Ethiopia. In his address to the Congress of Soviet Youth on October 2, 1920, Lenin had said,

> *... in a certain sense, it may be said that it is the youth that will be faced with the actual task of creating a communist society. And so,... the tasks of the youth in general, and of the Young Communist League and all other organizations in particular, must be summed up in a single word: learn.*[9]

Lenin further elaborated that the youth should actually learn Communism and pointed out that education should combine both theory and practice. It is only an education of this type geared towards the creation of communist society that can truly produce genuine revolutionaries.

One major beneficial aspect of proletarian culture is that it makes possible the creation of the new socialist man. The new man stands resolutely

Digitized by Google

for the masses of the people and for communism. He is capable of subordinating his own individual interests to the interests of the society. He believes in cooperative work and mutual support. He harmonizes proleterian internationalism and socialist patriotism. He is humane, loyal and honest. He stands resolutely against the enemies of communism and of the working people. He is always vigilant and alert and is guided by a scientific world outlook. One prominent Soviet writer has described the new socialist man in the following terms:

> *An individual of high cultural standards is one with a broad ideological and cultural outlook comprising the progressive ideas of his time and a truly scientific, philosophical view of the world, one who can understand the basic trends of the social and intellectual development of society and live in harmony with these ideals and the communist principles.*[10]

The need for narrowing the gap that now exists between the intellegentsia, the working people and the peasantry is simply unquestionable. It should, however, be clear that this does not mean that the level of knowledge of the intellegentsia should be lowered and brought down to a par with that of the rest of the people or that the number and the role of the intellegentsia should be minimized. On the contrary, it means that in the course of socialist construction, the educational and cultural level of the entire working people should be raised, that the number and role of the intelligentsia should be enhanced and that the working people should gradually develop into working class intellectuals. Without this the tasks of socialist construction cannot be successfully accomplished Without this, it will be very difficult to organize production along socialist lines on the basis of the achievements of modern science and technology. It is, therefore, imperative to formulate a cultural policy in order to intensify the cultural revolution, guide it along strictly scientific lines and ensure its practical accomplishment.

The formulation of such a cultural policy is thus indispensable in today's Ethiopia. Since the question of cultural policy is essentially a question of ideology, it concerns itself with the task of replacing the old culture with a new culture that is in harmony with socialism. That is why it is said that culture should be partisan, that it should have a class basis and that it should be popular. A retrospective examination of culture in Ethiopia during the feudo-bourgeois system and its comparision with culture in Ethiopia at the present historical period of transition reveals an encouraging beginning in the development of a popular socialist culture.

It should not, however, be forgotten here that the further development of culture demands for increased growth in the productive forces. Pointing out that the growth of the productive forces is necessary for cultural growth, Lenin has written

Digitized by Google

that "... to be culturad we must achieve a certain development of the material means of production, must have a certain material base." He also explained that the growth of the productive forces is particularly essential to raise the cultural level of the peasantry.[11]

There are two basic factors which raise the culture level of the masses. The first of these is the improvement of the material means of production and the second is the development of spiritual culture. Both of these again are connected with the growth of the productive forces. In socialist society science, art, cultural objects, recreation centers etc... are all in harmony with the level of growth of the productive forces of society. Since one important feature of socialist construction is to develop the material and spiritual needs of the people, increasing the number of theatre and cinema halls, clubs, libraries, newspapers and books etc. is the major means used to raise the cultural level of the people. In the transition to socialism, society must develop not only economically but also culturally.

Clubs, cultural, centres, libraries, discussion forums, museums, universities, institutes of literature, propaganda centers, the cinema, music, amateur art, traditional parks, resorts, institutes of science and technology etc... are all means for the enrichment of socialist culture. These grounds of cultural enrichment must serve as platforms for developing the peoples' creativity, for spreading the working class ideology of Marxism-Leninism and for fighting all forms of reactionary ideology. In brief they have to be instruments which serve the cultural interest of the working people.

The activities of these cultural institutions should be guided by the Marxist-Leninist Party whose directives are practically implemented through mass organizations and governmental institutions. The participation of the people in the creation and enrichment of culture must also develop both qualitatively and quantitatively for the masses are the makers of culture.

Hence, in order to attain the goal we have set ourselves in this direction and construct a prosperous society in which the masses of the people will have rid themselves of the problems that assail them at present, a society in which equality shall previal and the needs of the working masses will have been satisfied, we must intensify the endeavour for socialist economic construction maniforld and forge ahead with our cultural revolution with greater resolution and courage. And in the course of this endeavour, we must do away with all reactionary habits like indolence, wastefulness, greed etc... which are remnants and left overs of the former feudo-bourgeois culture and replace them by new and revolutionary culture. In general, we have to intensify the endeavour to bring about the prevalence of socialist culture in our country.

Digitized by Google

NOTES

1. "The Theoretical Conception of Culture," *Meskerem*, Vol., 2, No. 7, December, 1981.
2. *The Fundamentals of Marxist-Leninist Philosophy*, (Moscow: Progress Publishers, 1975), p. 468.
3. Lenin, *Collected Works*, Vol. 31, p. 287.
4. Lenin, Col. works, Vol. 29, p. 70.
5. Lenin, Col. works, Vol. 2, p. 526.
6. K. Marx and Frederick Engels, *The German Ideology* as quoted in A. Arnoldov, *On the Path of Cultural Progress*, (Moscow: Progress Publishers, 1974), p. 41.
7. Lenin, *Collected Works*, Vol. 28, pp. 171-172.
8. Lenin, Col. works, Vol. 28, p. 88.
9. Lenin, Col. works, Vol. 31, p. 283.
10. A. Arnoldov, pp. 55-56.
11. Lenin, *Collected Works*, Vol. 33, p. 475.
12. Lenin, Col. works, Vol. 32, p. 288.

Digitized by Google

VIEWS AND COMMENTS

Some Aspects of Imperialism's Slander of Real Socialism

The Soviet Union, the German Democratic Republic, Bulgaria, Czechoslovakia, Hungary, Poland and Rumania are socialist countries which collectively play a vanguard role in the struggle for world peace, genuine democracy and socialism. These countries are closely bound together in a military alliance through the Warsaw Treaty Organization, and in an economic alliance through the Council for Mutual Economic Assistance (CMEA). Imperialists and all anti-socialist forces, in line with their aim to degrade the socialist countries in the eyes of the world public, have never refrained from spreading defamatory propaganda against these countries. They depict the Eastern European socialist countries mentioned above as Soviet sattelites, manipulated by the Soviet Unicn as mere tools in its aspiration to consolidate its own gains and attain world supremacy. Since imperialists and their collaborators conduct this vile and baseless campaign of derogation and disparagement against the socialist countries in highly subtle and crafty ways, they may succeed in misleading even genuine and progressive individuals who are not very cautious. Before embarking on an exposition of the objective reality in the socialist countries, we would here like to touch upon some of the prevailing features in the capitalist countries for a better

understanding of the reality in the former. A brief look at the fundamental difference between capitalism and socialism is also imperative to begin with. The imperialist countries, first of all have a historical advantage in their ceaseless campaign of defamatory propaganda against the socialist countries. The outlook of the majority of the working people who can either listen to or read news and commentaries, both in the capitalist countries and in the developing nations, is polluted by bourgeois ideology. Their mind is infected by bourgeois outlook. Most of the working peoples in the developed capitalist nations are vulnerably exposed to the intensive and crafty propaganda disseminated by the capitalist mass media which in fact shape and mould them in such a way that they are by far governed by bourgeois ideology. And since they are governed by bourgeois ideology, they tend to accept the views and outlooks embodied in the bourgeois ideology as their own views and outlooks. Even though the working people are organized under their own unions, the outlook and aspirations of the unions do not transcend the confines of bourgeois ideology. The unions do not aspire or endeavour to change the existing system for the benefit and welfare of the working people. Since they are fettered to a highly considerable degree by the outlooks of the capitalist class, their struggle is confined to bringing about certain reforms within the existing system. Hence, their endeavour actually contributes to the continued existence and further consolidation of the existing exploitative system.

They accept the bourgeois definitions of such concepts like "democracy" and "freedom" as absolute. Thus, they line up alongside the political parties of the capitalist class in propagating the allegation that there is no democracy and freedom in the Soviet Union and the other socialist countries and in generally misleading the working class. Consequently, the working people in the developed capitalist countries have very confused notions about socialism and socialist countries. The situation in those developing countries which are following the capitalist path of development does not differ much from this. Most of these countries are former colonies of the imperialist countries and hence modern civilization penetrated into and gained expansion in them through the instrumentality and influence of the colonizing imperialist nations. Even today it can be clearly seen that the developing countries which are following the capitalist path of development are under the heavy influence of the imperialist world. Thus, the bourgeoisie, the petty-bourgeoisie and the intelligentsia in these countries possess views, outlooks and aspirations that are identical with the views, outlooks and aspirations of the imperialist bourgeoisie.

Even though socialism is the sole path for the attainment of genuine independence and progress by the developing nations, the notion of so-

Digitized by Google

cialism and socialist countries as held by the above - mentioned social strata is utterly confused and far from the truth. Even the working class and the intelligentsia of the developing countries unquestionably accept the false propaganda deliberately spread by the imperialist countries against the socialist countries as authentic. They accept the definition and interpretation given by the bourgeoisie to democracy, freedom, the role of the state, the relationship between the state and the people etc.. as being the correct definition and interpretation. And this creates an immensely fertile ground for the spread of anti-socialist propaganda in the developing nations.

Fundamentally, capitalism is not different, in its form and essential feature, from the other socio- economic systems (slave and feudal societies) that have preceded it in the course of history. Like these former socio-economic systems, capitalism is also based on the exploitation of man by man. It is highly individualistic. Though it does not negate the view that man is a social animal, it interpretes it in its own way. The driving force under capitalism is individualism or the private ownership of property. As such social benefits are subordinate to individual benefits. The material and spiritual wealth of the society are not utilized by all the members of the society on the basis of equality. As is the case with earlier class societies, they are utilized by the ruling minority. Socialism, on the other hand, is a system that is wholly opposed to all these. Its aim is to do away with the exploitation of man by man the world over and to ensure equality and social prosperity for all human beings. As Engels had said, "Labour made man". Labour, in its correct Marxist interpretation, is essentially a social phenomenon. Hence, it can be said that man's humanity is characterized by his socialization. Individual freedom or prosperity cannot be meaningful apart from social freedom and prosperity. The endeavour of all Marxist-Laninists is aimed at constructing the new communist society which is heretofore unknown in man's history and which is based on equality and collective prosperity. The endeavour to construct this new society is again an endeavour to create the new man, to renovate and change man's mental and psychological makeup. And, the function of the Marxist-Leninist ideology is to help bring about this change. In the course of the endeavour for socialist construction, Marxist-Leninist ideology and its practical implementation are indeed highly decisive. They can lead to fruitful outcome only if they are effectively harmonized. The weakness or strength of one will have a direct impact on the other. The process of socialist construction in general is highly complex and arduous. There are several remnants of backward culture inherited from former reactionary systems, which are anti-socialist and cannot be easily abolished. Moreover, as has been mentioned earlier, there is the con-

Digitized by Google

sistent and subtle anti-socialist propaganda campaign waged by the imperialist countries to denigrate socialism in the eyes of the international public and ensure their rejection of it. This campaign especially aims at preserving and consolidating remanants of backward culture which are anti-socialist and still persist among the peoples of the socialist countries. Hence, in order to have a correct understanding of the socialist countries, we must view them with reference to the above mentioned facts.

If considered from this perspective, the achievements made by the Soviet Union and other socialist countries in general are indeed exceedingly appreciable. When these countries initially undertook the socialist revolution, the level of their develomment was extremely low, as compared to the situation in the capitalist countries at the time. In 1917 the majority of the people of the Soviet Union were engaged in a backward form of agriculture. Industry occupied a relatively very small place in the conomy of the country. When the October Revolution took place in 1917, the country had sustained immense destruction from the First World War for it was one of those countries which had stayed in the war for over three years. In 1918 and 1919 again, the capitalist states of Europe, North-America and Japan, in collaboration with internal counter-revolutionaries waged an extensive armed counter-revolution against the new Soveit state with the view to crashing its young revolution. Even though the forces of the revolution ultimately emerged victorious, the country's economy sustained immesurable destruction. Hence, the prevailing conditions were extremely unsuited to the construction of socialism. Nevertheless, it was possible to construct and consolidate the national economy, which had been ruined by counter-revolutionary sabotage and war within a short time, due to the farsighted, resolute and correct leadership of Lenin.

In 1928, the Soviet Government issued the first five year plan for socialist economic construction and set about practically implementing it. In the same manner as they had emerged victorious in the sphere of political and military struggle, the forces of socialism were able to repeat this victory in the economic sphere as well in the period between 1928 and 1939 i.e. during the first two five year plans. They were able to transform all the economic sectors i.e industry, agriculture, trade etc...along socialist lines. Moreover, within these years and the succeeding period of the third five year economic plan, the country scored a highly appreciable achievement especially in the expansion and growth of heavy industries. As they were endeavouring to construct a socialist society, and were attaining successful results in this lofty endeavour, the leaders of the Communist Party of the Soviet Union were well aware of the antagonism with which international imperialism was watching them and the

Digitized by Google

fact that it would eventually attempt to launch another direct assault against the Soviet Union. Hence by adopting Lenin's scientific statement that a revolution that cannot defend itself can not be worth anything as their guiding principle, they, on the one hand, intensified the endeavour for economic construction and, on the other hand, exerted maximum effort to the strengthening of their defence potential. Having succeeded in expanding and consolidating their heavy industry, they were able to lay down a reliable foundation for the development of their national economy and guarantee the defence of their socialist motherland.

Consequently, the Soviet Union was able to emerge victorious from all the fierce military confrontations in the four years that followed the open invasion in 1941 of the Soviet Union by the Nazi army which was immensely superior in the quantity and quality of its weapons. The historic significance of Nazi Germany's defeat in the Second World War, in view of the international struggle for national liberation, equality and justice, is only too clear for those who are acquainted with the Nazi philosophy and its objectives. It is also an undeniable historical fact that the Soviet Union, by paying immesurable sacrifices, made the greatest contribution from among all the anti-Nazi forces, towards the defeat of Nazi Germany. It is sufficient to look at the following statistics to realize the immensity of the destruction that the Soviet Union sustained from this war. More than twenty million Soviet citizens were killed in the war fronts and in Nazi prisons. 1710 Soviet towns and 70,000 villages were burnt down. Most of Soviet Union's economic establishments, which hed been constructed through bitter struggle and immense sacrifice were vandalized and ruined. The masses of its working people underwent unbearable hardships and suffering. Nevertheless right after the end of the war, the Communist Party of the Soviet Union, the Soviet State and the masses of the Soviet working people, just as they had done during the war, once again embarked upon a concerted and highly coordinated, nation-wide drive for reconstructing the national economy which had been devastated by the ravages of the war. They successfully accomplished their struggle for economic reconstruction and once again proved their invincibility practically. In actual fact they did not only reconstruct their economy but were also able to attain a level of development much higher than that which had existad before the war.

As regards the U.S. imperialists, their country was wholly unaffected by the ravages of the Second World War and in fact had emerged from the war with greater prosperity and might. Taking advantage of this opportunity, U.S. imperialism, right from the very first days after the end of the War, started advancing its provocative, and grossly anti-progressive and anti-socialist policy in all continents. This U.S. imperialist policy once again

Digitized by Google

brought the world to the verge of another extremely disastrous war. Until 1961 U.S. imperialism was not only economically superior but was also the sole possessor of a huge arsenal of highly destructive neuclear weapons. Hence, it was fully confident that it could emerge victorious in the event of total war. Nevertheless starting from 1961, the Soviet Union gained possession of her own neuclear weapons and deprived international imperialism of its formerly undisputed military supremacy.

A similarly accelerated development was attained by the other member countries of the Warsaw Treaty Organization. When the Council for Mutual Economic Assistance (*CMEA*) was founded in 1949, most of these countries were economically very backward. The part played by industry in their overall economy was very small. In fact, it can be said that industry played virtually no part in the economies of Buigaria, Hungary, and Rumania at the time. In other words, they were largely backward agrarian societies. The accelerated growth they attained every year after 1949, however, is astonishing. In the period between 1949 and 1974, their national economies grew nine fold and their industrial production increased twelve times. Today, all of them are economically developed countries. Their national economy is firmly based on heavy industry. They have become a standing testimony to the fact that such speedy economic development can be attained in our times only through socialist transformation.

The standard of living of the peoples of the CMEA member countries has manifested consistent annual growth ever since the establishment of the CMEA. There is one prominent fact that deserves mention here. The standard of living in the Soviet Union is lower than most of the CMEA member countries. This is a glaring proof of the baselessness of the libel spread by anti-socialist and specially anti-Soviet forces that the Soviet Union manipulates the other socialist countries of Eastem Europe for its own advantage. The CMEA is not an organization through which one country exploits another;it is an organization which ensures mutual benefit and cements socialist fratenity among its member states. Its principles, regulations and work procedures are democratic. All its members have equal votes. Unlike the European Economic Community (EEC), it is not "supranational": in other words, it has no power over the governments of member countries. No government of a member country is obliged to implement a CMEA decision which it regards unacceptable. The government of an EEC member country, however, is obliged to implement every EEC decision irrespective of whether the decision is acceptable to it or not. The EEC is not an organization based on equality among its member countries. EEC member countries do not have equal votes. The big nations have more votes than

Digitized by Google

the small nations. This is in fact a clear manifestation of the internal relations in the member countries of the two different economic organizations. In the capitalist countries, there is no equality between big capitalists and small capitalists; in fact by the very nature of the system, there cannot exist such an equality. But since the internal relations in the socialist countries are based on equality, the relationships among them, too, do not transgress this fundamental principle. This principle has been practically implemented by CMEA and it has made highly significant contributions for the speedy economic development of each of the member countries. It has rendered the relationship that exists and should exist among the member countries a firm basis.

It is indeed true that the level of socialist development attained in these countries, if considered in view of the lofty goals that have been set up for it by Marx, Engels and Lenin, still requires for the accomplishment of numerous and highly complex tasks, that it still has a long way to travel and that many struggles and sacrifices await it. It is only anti-socialist forces who take some shortcomings and temporary problems as indicating that socialist theory is "unscientific" and "unpractical"

While it is on the one land, an indisputable fact that certain shortcomings and problems manifest themselves in the course of socialist construction, it is, on the other hand, a very tangible reality, as can be observed in the socialist countries, that socialist construction is gaining ever more momentum, manifesting speedy development, widening and deepening its horizon, consolidating its might, proving and maintaining its place in world history in an indisputable manner. On the other hand, it is an equally irrefutable fact that imperialism's exploitative sphere is consistently being narrowd. The saying that "The time is for socialism" cannot be easily overlooked as a fanciful slogan. For anyone who closely observes and correctly understands the trend of contemporary world history, it cannot at all be difficult to realize that situations are highly in favour of socialism. The rabid and desperately aggressive attitude manifested at present by the imperialist world is a typical proof of this historical fact.

The world socialist system, the working class struggle in the developed countries and the liberation movements in the under developed countries are the three major forces in the contemporary world revolutionary movement. The world socialist systsm i.e. the Sovist Union and the other socialist countries, play the vanguard role in the international anti-imperialist struggle. The attainment of a very high level of development materially, scientifically and technologically by these countries has created an insurmountable hurdle for international imperialism's anti-people plot and has curtailed it and continues to do so ever more effectively. The socialist countries have in various places and at various

Digitized by Google

they are a reliable and invincible bastion to all popular struggles for genuine national liberation and social progress, for peace and socialism the world over. Hence all forces which stand for National Liberation and social progress, for world peace and socialism firmly believe in the absolute indispensability of the further consolidation and progress of the socialist countries and the increased tightening of the bond of socialist cooperation and relationship that exists amongst them.

Digitized by Google

Digitized by Google

Digitized by Google

Hoover Institution Library
3 6105 070 951 731

Digitized by Google

Digitized by Google